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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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BUDGET CREATES CONFIDENCE IN THE GOVERNMENT

Mr. Fielding Pays Little Attention to Demands of Progressives

THE CROP OUTLOOK

Satisfactory Reports Are Still Being Received From Various Points in Western Canada

Although the burdens of business have been further increased under the budget brought down by Mr. Fielding this week, the fact remains that the forecast of THE FINANCIAL POST that our manufacturing industries need not fear the policy of the King government with regard to the tariff has been fully justified. Mr. Fielding has not bowed down to the demands of the Progressives. Altogether THE POST believes that the business atmosphere will be cleared by the budget announcement and that better conditions will follow the removal of a certain apprehension engendered by the demands of the Progressives and the rather deliberate propaganda of the government press to create a situation in which those demands were, if anything, exaggerated.

Late telegraphic advices to The FINANCIAL POST from Winnipeg indicate that intermittent showers throughout the West have further hampered seeding but a hot Sunday and a continuance of sunshine as the week wore away were favorable crop factors. The C. P. R. report Tuesday indicated that seeding was proceeding rapidly and that early growth now showing was healthy. Soil-drifting invariably present at this season has been halted by the moisture.

In Manitoba seeding is practically completed in spite of the rains. The flood menace in both the Assiniboia and Red River Valleys subsided early in the week. Early grain is showing four to six inches and healthy germinating conditions are reported—better than for several years. Prof. Broderick, of Manitoba Agricultural College, predicts a record crop of wild fruit in Manitoba.

Saskatchewan has experienced cool wet weather. Wheat seeding is reported 85 per cent. in the Regina-Moose Jaw section. Several points report only 5 per cent. seeded; the farmers are expected to rely on rye and flax.

Seeding is virtually completed in Alberta with increased acreage indicated in the Calgary Herald's Third 1922 Crop Return.

Optimism in Saskatchewan

The Regina correspondent of The FINANCIAL POST declares that whereas a short time ago the people were looking worried, they are now bright and cheerful—full of "pep" and optimism. Continuous rains from May 1 to May 15 filled the farmers' hearts with doubt. Since May 15 the sun has been shining; spring breezes have been blowing; the land is drying and seeding is in progress once again.

On May 19, at the resumption of seeding, government figures placed the amount of seeding done at 65 per cent. Without question, the present year is one of the latest in the history of the province, but he who thinks he can forecast crops from a scrutiny of past years, may scrutinize the followin figures:

In 1900 the average wheat yield in the province was slightly over 25 bushels to the acre. After that the yield fell off and did not again cross the 20 bushel mark until 1905 when the yield was 23 bushels. In 1906 the yield was 21 bushels; in 1909, 22 bushels; 1910, 15.5 bushels; 1911, 19.9 bushels; 1912, 19.5 bushels; 1913, 12.4 bushels. In 1915 came the bumper crop of 25.5 bushels followed by two years in which the average yield was 14.2 bushels; 1918, 10 bushels; 1919, 8.5 bushels; 1920, 11.2 bushels; 1921, 14.8 bushels.

The date upon which seeding becomes general is another factor which some prophets hold to be important. The statistician of the Saskatchewan gives the following figures: The four largest wheat crops harvested in the province were in the years 1905, 1906, 1909 and 1915 and seeding became general in those years on April 10, April 9, April 9, and April 10 respectively. The four poorest crops were those of 1914, 1918, 1919 and 1920 and seeding became general in those years May 1, April 15, April 24 and May 6 respectively.

If 55 per cent. of Saskatchewan wheat was in the ground by May 1 which is an estimate conceded to be fairly accurate, the prospects for a bumper year—judging by the above figures—would not appear bright.

Zinc Refining Plant For Ozone Ore Body

Zinc mining in the Thunder Bay district seems likely to undergo a revival, after about a quarter of a century of quiescence, by the formation of the Ozone Zinc Mining and Refining Association. This company has been incorporated under the laws of the state of Illinois, with headquarters at Rock Island, and a capitalization of $1,500,000.

THE MERCHANTS INVESTIGATION FALLS THROUGH

Little Prospect of the Case Making Further Progress

From Our Own Correspondent

MONTREAL.—The action of the judge in refusing to commit the late general manager of the Merchants Bank for trial on the charge of "wilfully" making a false return to the Government, has aroused an intense discussion of the whole issue in financial circles generally as well as banking in this City. So far as THE FINANCIAL POST can learn there is little likelihood of the case in the present form at least, making any further progress before the Court. The only recourse to the prosecutor would be to lay a similar charge before the Grand Jury and it would be for them to bring in a True Bill or refuse to do so. In legal circles there is little doubt as to what would be the result. When the defense could point to a judge dismissing the case after a lengthy inquiry, and find not only that there is no wilful deception but the returns themselves were not deceptive at all, the Crown, presumably, would have little chance to make headway and secure the rendering of a True Bill that would bring the former general manager again before a judge for trial. That the case against Sir Montagu Allan will go by the board is now taken for granted. If there were no false returns made it is difficult to see how a judge could convict him of being negligent in connection with such returns.

Some comment has arisen as to the nature of the evidence that was placed before the Court as a basis for securing a committal. The point has been raised that a single return, that of October 31, 1921, might have been extended to a number of returns and evidence disclosed covering several years preceding the final disaster. Others have suggested that instead of a chartered accountant being called in to give evidence, after making a special investigation for the Government, the evidence of H. B. Mackenzie, who was asked by Sir Montagu Allen himself to investigate, should have been presented and Mr. Mackenzie called as a witness. The attitude of those behind the trial, it is believed, on this point was that Mr. Edwards was an independent witness brought in from the outside, whereas the other witness to some extent had affiliations with another bank that might have caused objections to be raised on the part of the defense. As a matter of fact the defense did raise an objection to the chartered accountant on the ground that he was not an experienced bank auditor, and that his judgment, therefore, in declaring that he found certain very heavy losses that were not revealed in the October report, must be set up against the judgment

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ONTARIO LOAN TAKING DOMINION SAVINGS CO.

Reorganization of London Financial Institution is in Progress

From Our Own Correspondent.

LONDON.—Negotiations are in progress here for the taking over by the Ontario Loan Debenture Company of the Dominion Savings and Investment Society, of which T. H. Purdom, K. C., is president. Government auditor Henry is at the present time going through the books of the Dominion Savings and Investment Society, and an announcement regarding the new ownership of the company will probably be made next week it was stated to FINANCIAL POST.

A change of ownership may take place also in the Fidelity Trust Co. of Ontario, it is stated, but at the present time no information is available as to who may take it over. Mr. T. H. Purdom, K. C., is also president of this company and its head office is in the Dominion Savings Building.

TARIFF HITS WOOL HARDER THAN COTTON

Keen English and Scotch Competition Aided by Exchange As Well

GERMAN GOODS

50 Per Cent. Currency Clause Kept Them Out—Strange Sugar Legislation—Future Changes Doubtful

From Our Own Correspondent

MONTREAL.—Business circles here are not inclined to be alarmed at the immediate effects of the tariff but there is apprehension at the warning thought to be inherent in the address of the Minister of Finance to cut down duties by way of reciprocity if and when the barrier is lowered by the United States. It is felt that when this is done the duties are likely to be lowered by Canada at least to the extent of the cut in the British preference and that any broad reciprocity measure may include a much wider range of goods than has been made applicable to the British list. Perhaps the most serious menace according to views held commonly in manufacturing circles, is the wiping out of the currency clause, by which the entrance of German, Austrian and other European goods is rendered much more profitable.

Boot and Shoe Relieved

The industry that will breathe most freely for the moment in this Province is the boot and shoe: the cut of 2½ per cent. does not apply to United States goods. The British preference is cut from 17½ per cent. to 15 per cent., but the U. S. barrier remains at 25 per cent. As by far the largest portion of imported boots and shoes come from the United States, the cut in the preferential duty will do little injury. This is a distinct relief as fears were felt before and the industry for the past two years has been in bad shape; due to a combination of heavy inventory losses bad debts, and an unusually slow recovery in demand.

Preferential Cut Affects Textile Men

To the textile mills on the other hand, the cut on British goods is more important than on American, for in spite of heavy inroads made during ten years and more in cotton lines, and in woollen lines since about 1917—although for the most part temporarily in woollen goods—British competition will continue to prove the keenest the Canadian mills are called on to meet. This has been developing very greatly in woollen goods the last few months, and in cotton goods also, although a good deal of "dumping" has been taking place lately in American cottons.

Woollen Mills Anxious

Of the two the woollen mills will feel the cut the most, for the industry has not been developing in Canada to anything like the extent of cottons. The range of manufacturers is more limited, and the mills themselves are much smaller, as a rule and not as strong financially. Moreover, outside of the cutting-up trade their outlets average smaller as a rule than those of the cotton mills. United States competition comes in special lines rather fancy fabrics and patterns: English and Scotch woollens are hard rivals to overcome. The discount in sterling exchange remains still a factor that nullifies to a great extent the protection that yet exists.

Brewers Expected Something

The brewing industry was suspicious that "something" was going to happen, and may be thankful that only 15 cents and not 30 cents, the "war" tax, was applied as an excise levy. The breweries are working to capacity and are developing a fair export business, so that they will not be burdened heavily. There may be a regret on the part of the "consumer" that "five cent" beer may be impossible to provide under the new tax. This tax will bring in revenue from Quebec Province in particular, but Ontario and British Columbia also contain breweries.

Will Currency Clause Bring "Dumping"

Probably little protest will be made over the death-blow to the "Marking" Act, as this was not only almost impossible to enforce but little attempt was being made to carry it out. The real object was to prevent manufactured goods of Germany and Austria in particular from masquerading as English or Dutch or French, but the camouflage was continued just the same. This in turn made it

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Not Satisfying To Public

If the decision in the Macarow case is justified according to the facts, a heavy blow has been struck at the Banking Act of Canada as passed in 1913 and since in force.

For the first time the public are faced with this possibility: a strong bank can be wrecked over a period of years; monthly returns can be submitted to the Minister of Finance that do not contain even an inkling of losses that ran close to $9,000,000, and perhaps to $13,000,000; and no one who signed or prepared these returns is guilty even of negligence! These colossal losses can be concealed by juggling with classifications—under the Bank Act that now adorns the statute book! The people now suspect that a bank can be looted and no one be held to account.

Either that, or the acquittal of the late general manager on his preliminary trial, was utterly unjustified.

Which conclusion is correct?

The bewildered public must learn, and learn soon.

That is one aspect of Judge Cusson's decision.

There is another: equally important. If it should turn out to be possible for a bank to be wrecked as the Merchants was, and the "returns" to the Government prove utterly worthless as a means of detecting the presence of the dissipation of millions of its funds, there still remain the questions to be solved: Who wrecked the bank? Who were aware it was being driven on to its destruction? What weakness lies in the present form of shareholders' audit that made it utterly worthless in the present case?

The late investigation in the Montreal court sounded a good deal like a comic opera: Nobody knew anything about anything. It almost appeared as if a conspiracy of ignorance was on foot. Nobody dared believe that the real facts were disclosed. The whole thing hinged finally on a maze of legal argument and technical explanations or quibbling.

Something must be done. A further legal inquiry seems impractical, certainly under the same charge. A Parliamentary Committee is possible. A Royal Commission appointed by the Government seems the best solution; a commission that can make a searching investigation without being curtailed by strangling technical limitations.

Thus and only thus can the facts be dragged out, and the guilty be punished if there are those guilty under the law; and flaws in the Bank Act itself be held up to an X-ray, for the court decision—if a justifiable one—seems to riddle it.

The whole case is admittedly an extraordinary one; a bank wrecked by incompetency it would appear. In past cases, usually some form of defalcation has been the underlying factor behind the falsifying of returns, and the evidence of such falsification was not far to seek. Here there is no evidence of a criminal act, as usually understood, on the part of any one. Hence the intricacies are not so obvious; the mysteries of this bank disaster still stand unrevealed.

Democratic peoples have a brutal way at times of dealing with their servants when they believe that there has been a miscarriage of justice. When they feel that a bank can be looted and no one held to account they are likely to demand drastice action. This is an unfortunate situation with the Bank Act coming up for revision. Not only will public opinion demand changes but the people will not be inclined to be very gentle in their methods and an opportunity will be provided for the introduction of radical suggestions which may easily undermine the financial stability of the country.

In view of the Merchants fiasco impetus has been unfortunately given to the movement for government banks while such increased tax burdens as those which have been placed on the banks this week by the Finance Minister will naturally prove popular with the public.

Investors too are always chary of stocks in institutions which can evidently be looted without going to jail. Bank shares have not been popular since the Merchants failure was announced. The prices of these stocks have failed to reflect the general improvement in the investment situation in evidence during the past six months.

Central Bank Is Suggested

The Merchants Bank case should result in serious consideration being given to the establishment of a central bank in Canada, somewhat on the basis of the Federal Reserve Bank of the United States. It seems clear that the clause in the Bank Act that empowers the Minister of Finance at Ottawa to conduct an investigation into the affairs of any bank that he has reasons to suspect of any signal weakness has fallen down. The heavy losses in the Thornton-Davidson case were notoriously public property at the time of the failure of that firm in July 1920. That was the time when the Finance Department reasonably should have held a special investigation to determine the actual losses sustained by the Merchants Bank. Such an investigation might at least have revealed conditions of other losses as at that date and prevented these from increasing as they appear to have done even after that date. A thorough reorganization of the Bank probably would have followed, and its final wiping out might have been averted.

A central bank would exercise that supervision over all the present chartered banks in Canada that is done by the Federal Reserve Bank in the United States over every bank whose paper it discounts. The Bank of England and the Bank of France perform a similar supervisory function. The law gives them no such authority, but the penalty of a refusal of a bank to permit such an investigation is obvious. Hence a central banking organization in Canada, it is believed, would detect cases of incompetency and low-grade banking practices, and by an immediate investigation, as these cropped up in their relations with individual banks, make it impossible to carry them on for any length of time. There are other advantages of a central or reserve bank for this country but the Merchants Bank fiasco points to a very real and pressing need in one direction.

Mr. Miller Not Connected With Machinery and Supplies, Ltd.

Exception has been taken to an article in THE FINANCIAL POST of May 19 dealing with purchases being made by the Toronto Transportation Commission.

The article was published in good faith and in the interest of Canadian industry.

Many complaints have been made by Canadian manufacturers that the Ontario Hydro and later the T. T. C. were buying goods abroad that could be secured of equal quality and at the same or lower prices made in Canada; that many orders were placed in the U. S. on which Canadian manufacturers had not an opportunity of tendering. According to interviews in the local press the manager of the T. T. C. admits that these assertions are partly true but pleads urgency.

THE FINANCIAL POST reported the assertion that orders were placed by the T. T. C. through Machinery and Supplies, Limited, of which Frederick Miller, a member of the Transportation Commission, was Vice-President.

Mr. Miller states such is not the case. The information that he was Vice-President of Machinery and Supplies, Limited came from what is generally accepted as an authoritative source, and was given out at their office last year. It was on this authority THE FINANCIAL POST based its statement.

THE FINANCIAL POST accepts the statement of Mr. Frederick Miller that he was not Vice-President of this Company, that Mr. Roy Miller was at no time connected with Machinery and Supplies, and that neither of them had any financial interest in the company. The report mentioned that the Marion Company was not asked to tender on a steam shovel proves incorrect. They did tender, but another company quoted a lower price. With regard to railway ties, reports regarding which were also referred to, none were bought from or through Machinery and Supplies, Limited.

A WHEAT BOARD DEMANDED ONLY BY POLITICIANS

Men Like Crerar and Motherwell Recognize Its Weaknesses.

CLASS LEGISLATION

And Yet There is Weight of Evidence to Show That Not Even the Farmers Would Benefit From It.

From Our Own Correspondent

REGINA.—The speculation which western wheat growers allege exists on the grain exchange to the ruination of their family savings, pales beside the speculation on the part of these self-same grain growers concerning the out-come of Wheat Board controversy. The other day the Winnipeg Board of Trade hurled a rock into the pool—the compulsory pool—scheme, and though the rock was in the form of a report that gave some almost incontestable figures and reasons why this plan would be a flivver, it hardly caused a ripple of dissafection; those behind the Wheat Board scheme simply ignored it.

The Winnipeg Board of Trade very properly points out that the Wheat Board in war-time and the Wheat Board in peace-time are two diametrically different propositions. It analyses the farmers' claim that he is forced to sell at the height of the crop movement in the autumn in order to get money enought to finance threshing and harvesting expenses. By figures compiled for ten years prior to the war, the board show that by selling at the height of the crop movement—that is at threshing time—the farmer has, six years out of ten, made money.

And Shrinkage Too

Few agrarians who hold wheat until spring for the purpose of benefiting by theoretical advances in the market, take into consideration that an advance of three or four cents a bushel, means a loss, rather than a gain for so holding. Wheat is subject to shrinkage, storage charges are heavy, handling is expensive, and labor—additional to the autumn farmhand—must be employed to take care of wheat held during the winter and marketed in the spring.

The FINANCIAL POST representative asked two officials connected with the co-operative grain movement here the question:

"If the wheat board had not obtained in 1919, would not the price of wheat have been from $1.50 to $2 a bushel higher than it actually was?"

The answer in both cases was: "Probably. We admit that the Wheat Board was created to keep down, not to keep up, the price of wheat. But that is not saying it could not secure an increased return to the farmer now."

When partisans of the Wheat Board are asked if it would not be just as just to create a government monoply on boots and shoes, underwear, canned salmon or any other item of Canadian production, the invariable reply is that the farmer is the basic producer upon whom the whole country is dependent.

The Political Hand

Here one sees the result of the teachings of politicians who are today, throughout the West, as in the East, using the farmers to attain their own mercenary ends. They have filled the farmer full of the socialistic viewpoint; that he must have of the best; that he must fight the greedy capitalist; that he must force the grasping miller to dig down and pay more for grain and that he must, above all, put the speculator out of business.

It is the farmers' leaders who today are responsible for not undeceiving the farmer concerning the Wheat Board. Many of them do not believe the Wheat Board will help the farmer yet they continue to advocate the scheme.

In all, one sees the fine Italian hand of the professional politician. The farmer, industrious and levelheaded by natural bent, has been deceived and bewildered and befogged his creduality worked upon; his trust betrayed.

Crerar Not in Favor

Mr. Crerar, the accredited leader of the Western farmers, has never been a believer in the Wheat Board. He opposed the plan in the camera sessions of the Canadian Council of Agriculture. His political colleagues knew his attitude yet the rank and file of the party were not informed—have not yet been advised—that Mr. Crerar has no confidence in the Board

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UNDERCUTTING ROADS

Serious Competition Offered to Railways—Motor Trucks Hauled 1,200,000,000 Tons Last Year

In the rapid expansion of industrial life in this country there has been an increasing demand for more efficient freight and passenger service. Particularly is that so in the older parts of the Dominion. To meet the growing business electric radials have been built and operated over a considerable period of years, with varying success. But a new rival has sprung up which promises to solve the short-haul, less than car-load-lots of freight which has proved so expensive for the railroads to handle. This is the gasoline motor vehicle.

The situation faced by the steam and electric roads to-day is that a passenger who rides ten miles, or a ton of freight which moves thirty miles, utilizes the same terminal facilities as the passenger or freight shipment moved a dozen times as far. This is very largely overcome by the use of the motor truck, for while terminal facilities are necessary, they cost very much less than those of the railroads.

Faster Service

The distance between New York and New Haven, Connecticut is 127 miles. The cost of moving 100 pounds of freight over this distance by rail is $1.36, inclusive of boxing, teaming and the time taken, is 20 hours. On the other hand the cost of moving the same amount of freight by truck is $1.31 and the time consumed is only 14 hours. This means a lot in the fruit season when shipments of perishable fruit are made. On the shorter hauls the truck rate is much less than by rail, while on the longer hauls even though the rail rate is considerably less, the time taken by the truck is often only a quarter of that taken by rail.

The worst enemies of the steam and electric roads to economical operation is their primary costs. Many of the lines in Canada were doomed to failure even before they began to operate simply because they were not able to obtain sufficient volume of traffic to make their operating expenses. Not alone is there the cost of the rolling stock, but auxiliaries, such as power houses and transmission lines; and not the least expensive is the right-of-way. Then again when an electric road is built, it is not built for the present alone but for the future also and very often operating conditions and the volume of traffic have been known to fluctuate very widely, over even a short period.

The attractive feature in connection with the truck is its very low initial expense and maintainance cost. It is not limited to a right-of-way, but for efficient operation it demands a hard surfaced highway. Of course terminal facilities are necessary for the quick handling of freight. In the large centres there would be very complete garages and repair shops, while along the highways would be service stations at strategic points. In Cincinnati, for instance, at the terminal there of the radial branch lines electric cranes are employed in changing the interchangeable, five-ton, unit-loads and the time in handling has been reduced to 5 minutes. Here the freight is divided into two classes, the long distance or through freight and the local freight trucks which operate on a regular schedule over freight routes.

Special Fields

In Buffalo, the fruit commission men formerly had large spoilage losses, due to delays in railroad handling. Motor transportation was organized with three trucks—now grown to eighteen. Deliveries are now made within a few hours over a distance of 100 miles. California fruit growers use motor trucks largely in hauling their products to the steamers. One shipment of 3,500 cases of apricots and peaches made one of the longest motor trains on record. It covered 77 miles in less than 7 hours. Three days would have been required to reach the harbor by railroad. Milk, too, is hauled in glass-lined tanks holding 1,590 gallons. One fleet has five of these and transports milk 140 miles.

WHY THEY CHANGED STORES

Homer Buckley, speaking in Chicago recently, reported the analysis of the reasons influencing an average hundred persons to change store patronage:

Sixty-eight changed because of store indifference;

Nine because of better service elsewhere;

Three because other stores are more convenient;

Fourteen because of unadjusted grievances;

Five were influenced by friends to go elsewhere; and one died.

JAPAN'S PULP IMPORTS

Increase in Canadian Shipments During Year

During the past year Japan imported more wood pulp from Canada than all other countries combined. Japan consumes approximately 120,000 long tons of pulp per annum, two thirds of which is produced in Japan proper, Hokkaido, and the lower half of Sakhalin, and the other third is imported. The following table, covering the last two calendar years, show the sources from which Japan obtains her supply of foreign pulp:

Countries	Long tons	Value
1920		
Canada	14,159	$1,710,261
Sweden	21,393	3,277,762
Norway	608	97,478
United States	8,604	1,199,927
Other countries	1,926	289,978
	46,690	$6,575,406
1921		
Canada	20,989	$2,556,144
Sweden	9,988	971,924
Norway	1,852	191,082
United States	2,362	349,108
Other countries	3,786	333,066
	38,977	$4,401,324

HIGH PRICES NOW CURTAIL BUILDING

Shortage of Materials in New York While Chicago Suffers from Big Labor War

Bradstreet's report disagrees with other compilations which found that April was the biggest building month in the history of the United States. It finds a large gain in most cities partially offset by a decline in New York, the total for 142 cities being $192,184,353, against $221,341,956 in March and $112,373,483 a year ago. Scarcity of material, principally bricks, and of labor, is cutting down New York building. "Snowballing" is common and material prices are getting so out of hand that the Lockwood Committee has authorized Samuel Untermyer to petition Congress for emergency legislation permitting building materials to enter on a lower tariff. English brick could be laid down here for $14, while the present price is around $24, and the committee says the cost of manufacture is $11. In Chicago a good-sized labor war, with bombings and wholesale arrests of union leaders, broke out last week. A strike in the Haverstraw brick yards threatens building in the New York district.

The lumber markets are strong. Demand last week showed a marked improvement and price advances were almost universal. Production is well behind orders and stocks are steadily becoming smaller as shipments are rushed to consumers. Lumber exports during March were 120 per cent. greater than a year ago, and the nine months' totals are about double those for 1921.

DECREASED DEMAND FOR PRAIRIE LANDS

Causes Drop in Profits of the Canadian Northern Prairie Lands Company

The Canadian Northern Prairie Lands Company, Limited, during the year ending December 31, 1921, again experienced difficulty as in the previous twelve months, in making sales of its properties. This was owing to greatly limited buying power of farmers and settlers due to the decline in the value of farm products.

The profits for the year at $207,120, compare with $238,646 for the preious year. Earnings from land sales during the year were at a material decrease while there was a substantial improvement in interest and miscellaneous income. This profit has been appropriated as follows: dividends at the rate of 10 per cent., $150,000; transferred to a reserve for contingencies, $25,000, and a balance of $32,120 which is added to the credit of profit and loss account, which now stands at $762,843.

During the year under review, 1, 264.13 acres of the company's lands were sold for $23,350, an average of $18.47 per acre. In 1920 the sales amounted to 5,120 acres, and in 1919 they totalled 11,520 acres. During 1921 it was found necessary to cancel contracts previously entered into, covering 960 acres. Of the original purchase of 500,000 acres there were at the close of the year 39,175 acres unsold, according to the report. This unsold acreage is carried on the books of the company at $3 per acre.

OVERLAND PRODUCTION

Big Improvement in Business of Willys-Overland, Ltd.,

Not since the car shortage of the spring of 1920 have the West Toronto factories of Willys-Overland Limited been so busy as they are today. The company's manufacturing program during the early months of the year anticipated a strong demand in the spring, but that demand exceeded expectations. The number of Overland cars being sold continues greater than production.

While making the Overland in its entirety in Toronto, the Canadian Company obtains its supply of Willys-Knight cars from Toledo, and Willys-Overland Limited cannot keep up deliveries with orders.

PUBLIC UTILITIES AND PEOPLE MUST GET TOGETHER

Municipal Ownership Makes Them a Veritable Football of Politics

HEAVIEST TAXPAYERS

The Capital Can Only be Turned Over Once in Every Three, Four or Five Years

The question of the advantages or disadvantages of municipal or government ownership of public utilities has recently come in for much discussion among our Southern neighbors, due no doubt to the disappointing results which have been evident in nearly every case in which the experiment has been tried. Floyd W. Parsons deals with the subject at length in *The World's Work* and brings out some instructive points which are well worth reproducing in that they are equally applicable both to U. S. and Canadian cities.

After adducing several convincing arguments with which readers of FINANCIAL POST will already be familiar, Mr. Parsons goes on to speak of the contention frequently put forward that money invested in public utilities, and therefore devoted to a public service, should be satisfied with a lower return than money invested in other enterprises.

Such an assumption, he says, is absolutely unwarranted, for one person who has money to invest is always just like another. Practically everyone who has money strives to invest it where it will bring the largest return with the greatest degree of safety. If any one is offered an investment in a public utility that pays 5 per cent, and just as good an investment in something else that pays 8 or 10 per cent., it is an absolute certainty that the investment netting the largest return will get the money. Let no one overlook the truth that money is a commodity which we buy and sell just as we buy and sell grain or clothes or lumber. A public utility or a municipality cannot buy money for less than other people pay for it, any more than this same utility or municipality can buy coal or labor for less than it is worth in the market. Every utility, no matter where it is located, requires new capital for continuous additions to its plant, and it cannot get this necessary capital unless the corporation is permitted to earn and pay fair return on the new money.

At the present time, the demand for electricity is increasing about 20 per cent. annually, and for each dollar of income for the average electrical company, an investment of from $5 to $7 in buildings, equipment, transmission, and distribution systems is required. In order to get this money the courts and commissions must either permit the utilities sufficient returns to enable them to go into the public money markets and get the needed funds, in competition with other borrowers, or the bonds and other issues of the utilities must be made tax-exempt. Nearly all economists agree that the former plan is the better.

As has been stated, for each dollar of additional annual gross revenue from the sale of electric energy, it is necessary for the utility company to provide additional facilities involving an investment of at least $5. Thus, a company with a gross revenue of, say, $1,000,000 per year, to provide for a growth of 10 per cent. per annum ($100,000), which is unusually low rate of expansion, would be obliged to spend $500,000 for additional generating capacity and distribution facilities.

The average business man is accustomed to think of a business as an enterprise in which he can invest money and then turn his capital over three, four, or five times a year, making a profit each time he turns it over. In such a business the owners frequently make from 20 to 50 per cent. on the capital invested. But in the utility business, the situation is quite different. Here we have a line of endeavor where it is necessary to put in $5 for each dollar of increased business, and instead of turning over the capital three or more times a year, it is only possible to turn the capital over once in three, four, or five years. This is the big fact in the utility business that the public has failed generally to understand Even some of the utility managers themselves have failed to grasp this fundamental, economic law of the business. And while on this subject of the capital requirements of the utilities, it is well to note that a committee from the United States Senate has estimated that it requires approximately $700,000,000 to provide public utility service for each additional million inhabitants.

A lot of people have come out in favor of municipal ownership of our utilities. A number of communities have found out to their sorrow that municipal ownership settles nothing.

(Continued on page 18.)

THE UNION BANK
OF AUSTRALIA, LTD.

Established 1837. Incorporated 1880.
Capital Authorised and Issued [illegible]
Capital Paid Up .... [illegible]
Reserve Fund .... [illegible]
Reserve Liability of Proprietors £6,000,000

Head Office 71 Cornhill, London, E.C. 3

The Bank has 182 Branches, viz.:
In Victoria 42
In New South Wales 38
In Queensland 19
In South Australia 14
In Western Australia 20
In Tasmania 3
And in NEW ZEALAND .. 46

Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued—available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

THE
MOLSONS
BANK

Incorporated 1855
Capital $4,000,000.
Reserve $5,000,000.
F. W. Molson, President.
W. A. Black, Vice-President.

Edward C. Pratt
General Manager

A general banking business transacted.

Over 125 Branches in Canada.

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SPECIALIZING IN HIGH-GRADE SECURITIES

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A consultation is invited and usually we are successful in carrying out a client's wishes.
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Barrister & Solicitor.
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REGINA, SASKATCHEWAN.
Reference:
THE COLONIAL INVESTMENT & LOAN CO.
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Business Founded 1795
American Bank Note Company
Incorporated by Act of the Parliament of Canada
Engravers and Printers
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Corporation Bonds
Stock Certificates
Municipal Debentures
and Other Monetary Documents
Head Office and Works: Ottawa
Branches:
Montreal Toronto

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Erected
Repaired
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For any purpose in any part of Canada
POOLE CONSTRUCTION COMPANY, LIMITED
Contractors and Engineers
Regina - Sask.

Anglin-Norcross
(LIMITED)
Contracting Engineers and Builders
MONTREAL TORONTO HALIFAX

OPINION CHANGES IN UNITED STATES REGARDING TARIFF

The Situation At Washington From the Canadian Point of View

POLITICIANS WORRIED

Many Leaders of the Agrarian Group Said to be Now Suffering a Change Of Heart

From "The United States Investor."

"While on the surface, from the Canadian point of view the latest product of the tariff makers at Washington, seems to be about 'the worst yet,' some students of the American political situaion are warning Canadians that all is not as it seems. It is being pointed out in many quarters that while the increased duties on agricultural products asked for in the Fordney-McCumber tariff measure, are designed to appeal to the farmers of the West and Middle West who in 1920 felt the competition of Canadian farm products most keenly, times have changed since this method of getting votes for the members of the farm bloc in the Senate was devised and that in this matter of tariff protection, farmer opinion in the American West is in a state of transition. The American correspondents of several Canadian newspapers have recently been assuring their readers that the ground is beginning to shake ominously under the feet of the high protectionists in Congress and that the principal cause of this unlooked for agitation is the growing feeling among the farmers that in agreeing to the passage of the Emergency Tariff measure in return for their support of an all around high tariff they have made a bad bargain, a bargain which they would willingly denounce if they could. For, according to the correspondents of the Canadian newspapers, the farmer no longer thinks as he did six months ago. His reception of the new tariff has therefore not been as enthusiastic as many of its supporters in Congress expected that it would be.

Conditions Changed

"It must be remembered that the position which forced the politicians at Washington to adopt the Emergency Tariff Act was an unusual and an abnormal one. Due to the lack of transportation facilities during the war, mainly the outcome of the breakdown of the American railway system, vast quantities of farm products accumulated in various foreign countries, with no outlet in sight. These stocks during the years 1920 and 1921, were thrown on the American and European markets in great quantities. In spite of the steady decrease in food prices in this country during those two years, high prices made this country a particularly attractive market to the Canadian farmer. The result of course was that on top of the release of the accumulated stocks of foodstuffs above mentioned, there poured into the United States similar stocks which had been piled up in Canada in a similar way and for a much similar reason. Naturally, as one might expect, agricultural prices tumbled precipitously. It was to meet this situation that the Emergency Tariff was enacted.

"These conditions and this situation, it is being said here, have now passed. Stocks of foodstuffs stored abroad have been consumed and market conditions so far as farm products are concerned, are again approaching normal. The demand for American foodstuffs abroad continues good. The net result is that at present so far as the market for farm products is concerned, the most stable conditions experienced since the post war collapse, are in existence.

"This being the case agrarian leaders in Washington are said to be regretting the bargain they made with the Washington representatives of the 'high protectionist' manufacturing interests. While before the enactment of the Emergency Tariff they quite freely admitted the justice of imposing a high protective tariff on manufactured products and raw materials so long as the farmer of the West and Middle West was freed from the competition of the Canadian grain grower and cattle raiser, changed conditions have brought changed opinions. Leaders of the farm bloc are now said to be regarding the prospect of an all-round high tariff with considerable misgiving. Apparently they have 'heard from home.' And election times being near in the case of at least one-third of the present members of the United States Senate, their ears are keen. Farm opinion, they seem to be learning, now fears that an all-round high tariff will so raise general prices that the farmer will be compelled to pay higher prices for everything he consumes from nails to reapers. Will the benefits, the farmers of the West and Middle West have obtained through the increase in the prices of farm products, be cancelled by an increase in the prices of manufactured articles, if the present tariff measure becomes low? The farmers seem to be asking themselces. So long as the Emergency Tariff alone was in effect, it was a different story, of course. The farmer was protected from foreign competition, but the manufacturer was not. While the farmer's prices rose, foreign competition kept the prices down. In other words, the farmer was buying cheap and selling dear, naturally a situation quite to his liking.

"But now it is an entirely different matter. The farmer is being asked to trade high prices for manufactured products for the privileges his own products now enjoy under the present tariff.

Politicians Worried

"Many of the leaders of the agrarian group in Congress, it is being said, have seen this change of opinion on the part of the farmer coming for some time, and likewise politicians have been preparing to adjust their sails to the changing winds. Within the past two or three weeks many of them have, privately of course, been quite lukewarm in regard to the suggestions of the 'high protectionist' party. Some of them are even said to be preparing to launch an extensive free trade movement among the American farmers, a movement which will eventually, so your correspondent is told, if it meets with any degree of success, play into the hands of those elements in Canada who favor reciprocity of the 1911 kind with the United States.

CHURCH IS WORRIED ABOUT CIGAR PRICES

Toronto's Sometime Mayor Also Wants To Know About Combines, etc.

In the House of Commons Ex-Mayor T. L. Church of Toronto, asked the following questions regarding the prices of cigars, cigarettes, etc:

1. What prosecutions have been held, and how many each year, against trusts and combines and combinations, in restraint of trade in Canada from 1909 to 1922?

2. Is it the intention of the Government to hold an inquiry into the high cost of tobacco, cigarettes and cigars?

Hon. Mr. Murdock of the Department of Labor replied as follows:

1. As regards prosecutions under federal legislation, no prosecutions were held against trusts and combines and combinations in restraint of trade in Canada from 1909 to 1922 but under the Combines Investigation Act, which received the Royal assent on May 4, 1910, a Board of Investigation was established in February, 1911, by the Minister of Labor to inquire into an alleged combine on the part of the United Shoe Machinery Company of Canada in the manufacture and sale of machinery used in the making of boots and shoes, and the report of the Board received by the Minister of Labor on October 21, 1912, declared the United Shoe Machinery Company to be a combine. No other investigations were ordered under the terms of the Combines Investigation Act and the Statute itself was repealed by clause 15 of the Combines and Fair Prices Act, July 7, 1919. The existing law for dealing with trusts, combines and mergers in restraint of trade is confined to the provisions of the Criminal Code. The Government has no information as regards prosecutions under provincial laws.

2. It is not deemed necessary to hold such an inquiry at present.

COAL INDUSTRY'S ONLY CURE IS ENGINEERING

Director Smith of Geological Survey Says Failure of Industry Can be Traced to Economic Defects

The matter with the nation's coal bill is that it includes too much unemployment and too little productive work, a too-high wage scale and too-low earnings, a shameful waste of human energy instead of a worthy exhibit of thrift in industry, widespread discontent with an uncertain job rather than wholesome satisfaction a good workman takes in steady and productive employment.

George Otis Smith, director of the Geological Survey makes this statement in Mining and Metallurgy this month, stating the greatest need of the coal industry is engineering. He says:

"The social failure of the coal industry can be traced to economic defects, and the cure for these is engineering. The engineering work needed to make the American coal industry truly worthy of our country will not be spectacular like bridge building or canal digging, nor need it await novel inventions or great discoveries in coal-mining methods. What engineering can do for the industry is already known, for we have today large coal mines well laid out and equipped with modern machinery which show in actual practice how we can better the business of mining coal.

"Our chief need in this business, as in some others, is merely to raise the average up to the best. Mines planned by engineers and managed by engineers can, with the aid of the coal-consuming public, come much nearer to giving the mine worker an actual opportunity to work eight hours a day and six days a week. Then the mine worker himself would have some control of his earnings. Cheaper coal and larger earnings are two ideals which can be attained by engineering after bargaining has utterly failed.

LOAN COMPANY TAKES OUT NEW TRUST CHARTER

Wider Powers Gained By Waterloo County Institution

PRIVATE BILL PASSED

This Was Necessary in Order To Permit Outstanding Debentures to Continue Unmolested

Wider powers of an agency and fiduciary character have been obtained in the change of the charter of the Waterloo County Loan & Savings Company to the Waterloo Trust & Savings Company. The change has an interesting bearing on the trust and mortgage field. Insofar as funds received from the public are concerned trust companies bear the relation to their client of trustee. In the case of loan companies they receive money by way of deposits and debentures, but the relationship is that of debtor and creditor. Investments covering all public funds received by trust companies are confined by statute to trust securities. In the case of loan companies, there is a slightly wider field In the case of the Waterloo County Loan & Savings Company nearly all the investments had been made in trustee securities so that the company was in a position to arrange its affairs so as to comply with the requirements of the trust companies act. It was necessary, however, by reason of having outstanding debentures, which it was desirable not to disturb before maturity, to make application by way of private bill for the change in status and for the authority to leave such debentures undisturbed until maturity. The trust company, of course, can issue no further debentures, but trust companies follow the practice of obtaining funds by issuing guaranteed trust receipts on terms almost identical with those of loan company debentures with the exception that these receipts clearly set forth the legal relationship of trustee. Furthermore, the volume of securities including cash, have to be set aside under the trust companies' act, to cover each type of public funds received. All trust deposits received must have investments specially allocated and ear-marked and set aside in a separate compartment to offset such deposits. The same principle applies to all funds received by way of general guaranteed trust receipts. In the case specified guaranteed trust receipts where the client asks to have a special security allocated to cover his funds his request is complied with by specially ear-marking and marking as specific security to his receipt, some particular trustee investment.

P. V. Wilson, manager of the company, explains that the reasons for making a change were simply due to a desire to possess the larger powers. Loan companies carry on practically the one line of business, where the business of a trust company is more diversified in character. The company quite recognizes that it takes a considerable period of time to establish an estate business. This depends very greatly upon the degree of public confidence placed in the institution. The directors feel, however, that as time goes on, a fair proportion of this work should come into the company's hands. Other lines of work, such as acting as agents for the investment of funds, the supervision of securities, the collection of rents, etc., should all offer facilities for profits to the company.

Iron And Steel Output Decline During April

The monthly report on iron and steel, issued by the Dominion Bureau of Statistics, states that the pig iron production in Canada during April declined 9,000 tons from the output reported in the preceding month, but an analysis of the output shows that 5,000 tons more iron was produced for direct sale than in March of this year. The total pig iron production amounted to 32,572 long tons, comprising 12,142 tons of basic iron; 14,952 tons foundry and 5,478 tons of malleable. The production of malleable iron was slightly lower than in March and amounted to 5,478 tons, all of which was produced for direct sale.

The decline in the production of steel ingots and castings in Canada noted in the March report was further accentuated during the month of April, the total output declining to 21,935 tons, as compared with 29,941 tons in March.

AUTO PRODUCTION

Further Increase in Output of Motors in United States

Reports received by the U.S. Department of Commerce show a further increase in the production of automobiles during April. New records were made for the output of both passenger cars and trucks, compared with the preceding ten months for which figures are available.

With the reports lacking for only a few small companies the total April production of passenger cars amounted to 196,512, or an increase of nearly 30 per cent. over the March production of the identical firms. The April truck production totalled 21,944 machines, compared with 19,449 from the same firms in March.

Money Belts

THE old way of carrying your money in gold in a belt, when travelling, had neither the advantages of safety nor comfort.

OUR Travellers' Cheques are payable only to your order, can be cashed promptly in small amounts for your immediate requirements and take little space in your pocket. Try them.
674

THE CANADIAN BANK OF COMMERCE
Capital Paid up $15,000,000
Reserve Fund $15,000,000

THE ROYAL BANK OF CANADA
Statement to the
Dominion Government (Condensed)
April 29, 1922
Head Office
MONTREAL

LIABILITIES	
Capital Paid Up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	905,044.98
Notes in Circulation	28,479,352.14
Deposits	398,264,508.23
Due to other Banks	13,121,455.47
Bills Payable (Acceptances by London Branch)	1,949,061.57
Acceptances under Letters of Credit	5,202,047.08
	$488,721,469.47
ASSETS	
Cash on Hand and in Banks	$105,646,580.49
Deposit in the Central Gold Reserves	10,000,000.00
Government and Municipal Securities	32,173,573.40
Railway and other Bonds, Debentures and Stocks	13,645,888.64
Call Loans in Canada	19,435,441.81
Call Loans elsewhere than in Canada	30,907,702.59
	$211,809,186.93
Loans and Discounts	258,514,589.28
Liabilities of Customers under Letters of Credit as per contra	5,202,047.08
Bank Premises	10,986,922.80
Real Estate other than Bank Premises	962,605.46
Mortgages on Real Estate sold by the Bank	261,117.92
Deposit with Dominion Government for Security of Note Circulation	985,000.00
	$488,721,469.47

698 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.
Paris Auxiliary—THE ROYAL BANK OF CANADA (France)

UNION BANK OF CANADA

DIVIDEND No. 141

Notice is hereby given that a dividend at the rate of 10% per annum upon the paid-up capital stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Thursday, the first day of June, 1922, to shareholders of record at the close of business on the 16th day of May next.

The transfer books will be closed from the 17th to the 31st day of May, both days inclusive.

By order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, April 21, 1922.

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament
TWENTY-FIVE BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mengens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

ESTABLISHED 1872
TORONTO OFFICE
THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.
BANK OF HAMILTON
BRANCHES THROUGHOUT CANADA

BANK OF MONTREAL

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Institution has been declared for the current quarter, payable on and after Thursday, the 1st day of June next, to Shareholders of record of 30th April, 1922.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st April, 1922.

The Canadian Bank of Commerce

Dividend No. 141

Notice is hereby given that a dividend of three per cent., upon the capital stock of this bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 31st May next, and that the same will be payable at the bank and its branches, on and after Thursday, 1st June, 1922. The transfer books of the bank will be closed from the 17th May to 31st May next, both days inclusive.

By order of the Board.
JOHN AIRD,
General Manager.
Toronto, 21st April, 1922.

DOMINION GLASS COMPANY LIMITED

Dividend Notice

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1922, payable Saturday, the 1st day of July, 1922, to Shareholders of record at the close of business Thursday, the 15th day of June, 1922.

By order of the Board.
MERVYN OFFER,
Comptroller and Secretary.
Montreal, 18th May, 1922.

DOMINION GLASS COMPANY LIMITED

Dividend Notice

Notice is hereby given that a dividend of one and one-half per cent. (1½%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1922, payable Saturday, the 1st day of July, 1922, to Shareholders of record at the close of business Thursday, the 15th day of June, 1922.

By order of the Board.
MERVYN OFFER,
Comptroller and Secretary.
Montreal, 18th May, 1922.

Mortgage Discount and Finance Limited

Preferred Dividend No. 3

Notice is hereby given that a dividend of 4% (being at the rate of 8% per annum) on the fully paid Capital Stock of this Company, has been declared for the half-year ending May 31st, 1922, and that the same will be payable on and after the 1st day of June, 1922, to shareholders of record at the close of business on the 31st day of May, 1922.

The transfer books of the Company will be closed from the 23rd of May to the 31st of May next, both days inclusive.

By order of the Board.
GEORGE R. GRIFFIN,
Managing Director.

Woods Manufacturing Company, Limited

Common Stock Dividend Notice

The regular quarterly dividend of two per cent. (2%) on the COMMON STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending May 31st, 1922, has been declared payable June 1st, 1922, to shareholders of record May 25th, 1922.

By order of the Board.
JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, May 17th, 1922.

MARKET IS AGAIN BECOMING ACTIVE IN INDUSTRIALS

Increased Activity in Favorite Issues Good Sign Dealers Think

BRIGHTER OUTLOOK

Stocks No Longer Barometer of Business Conditions, States One Authority—Industrials Better

The greatest activity during the past week has been in the speculative industrials rather than in the securities of a more investment character. Since the present reaction set in some weeks ago there have been few indications to show that the advance in the general market was to be continued, until the past week. Then in several issues, which have been long active, there was greatly renewed interest spurred on no doubt by the hope of early dividends.

Practically since the first of the year there has been an enormous distribution of high grade bonds to the public and dealers are of the opinion that this rate cannot long continue, particularly since the yield of these bonds has been forced down to such a point that there is little attraction in it to the investor. Generally speaking the Canadian bond houses are clear of these issues while a somewhat reverse condition exists in the American market. This is largely due to the fact that the New York market is established on a little over 5 per cent. basis while the Canadian market is not much below 5½ per cent.

Speaking of the future trend of the markets, "The Trader" in Barrons gives his views; "That forecasting is dangerous every one will agree, yet statistics do show the trends. For instance, it is my guess that stocks for the present have completed their mission as a barometer of business conditions. We are now getting the returns from industrial lines, which were foretold by the rising stock market, increased steel orders bank clearings, grain prices and so on.

The momentum, however, is carrying the market now, and if this continues the public will go crazy for stocks. The plethora of money at present is the result of the vast amount of funds released by the deflation and depression; and when industry as a whole gets back to normal, the corporation demand for money will make itself felt.

"I am certain that the public are carrying many more stocks than three months ago. I am confident that many pools have liquidated. Yet the averages this past week have gone up through the old line and give us convincing proof of the tremendous momentum behind the market. We are, therefore, confronted with the possibility (amounting to the probability) that the averages can go higher before we get a real reaction. This in spite of the fact that the public are in the market far more than they have been, and, of course, this fact spells caution to the in-and-out trader who would continue on the long side a while longer. The long-pull speculator will remember that since last September I have advanced the theory that we are in a primary bull market that will continue well into 1923."

Around 10,000,000 automobiles in the United States—85 per cent. of the world's motor cars—consume enough gasoline to make this the largest gasoline market in the world.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada.)

To the Holders of the 7% Prior Lien "A" Bonds, and to the Holders of the 6% First Mortgage Bonds

NOTICE IS HEREBY GIVEN THAT the Coupon Number 14, in respect of the interest due and payable on the 1st June, 1922, on the 7% Prior Lien "A" Bonds (Sterling issue) of the Company will be paid on or after the 1st June, 1922, at the Bank of Scotland, 30 Bishopsgate, London, England, and at the Canadian Bank of Commerce, 23 King Street West, Toronto. Payment will be made in Toronto in Canadian currency at the current rate of exchange for the day upon which such Coupons are presented for payment.

AND NOTICE IS ALSO GIVEN that in respect of the interest due and payable on the 6% First Mortgage Bonds of the Company, 1% will be paid at the Bank of Scotland, 30 Bishopsgate, London, England, and at the Canadian Bank of Commerce, 23 King Street West, Toronto, on or after 1st June, 1922, in full discharge of the half-year's interest due 1st June, 1922, against surrender of Coupon No. 21.

Coupons of the face value of £0:10:0 will accordingly entitle holders to receive £0:4:0, and coupons of the face value of $2:10:0 will entitle holders to receive £1:0:0. Payments will be made in Toronto in Canadian currency at the current rate of exchange for the day upon which such coupons are presented for payment.

Dated this 22nd day of May, 1922.
For BARCELONA TRACTION, LIGHT and POWER COMPANY, LTD.
R. H. MERRY,
Secretary.

LAKE OF THE WOODS MILLING COMPANY LIMITED

Dividend Notices

Notice is hereby given that a dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending May 31st, 1922, has been declared payable on Thursday, June 1st, 1922, to Shareholders of record at the close of business on Saturday, May 27th, 1922.

By order of the Board,
M. H. HUTCHISON,
Assistant-Secretary.

Notice is hereby given that a dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending May 31st, 1922, has been declared payable on Thursday, June 1st, 1922, to Shareholders of record at the close of business on Saturday, May 27th, 1922.

By order of the Board,
M. H. HUTCHISON,
Assistant-Secretary.

FAMOUS PLAYERS BID FOR ALLEN THEATRES

Creditors of Allen Firm Made Further Offer, Assignment is Personal

At the same time that Jule and Jay Allen made a personal assignment to E. R. Clarkson and Son this week, came the announcement that the Famous Players Canadian Corporation had made an offer for the assets of the Allen Theatres Limited. An offer was made by this corporation direct to the Allen Theatres Limited about three months ago but was not accepted, a number of the larger creditors refusing their approval. The latest offer is to be placed before the creditors at a meeting called for May 29 by Mr. Clarkson. It is understood that other interests are considering making an offer for the Allen Theatre holdings.

While it is not possible to learn the exact value of this chain of theatres their book value is said to show them to be more than solvent and that the only circumstance that would force them to make an assignment would be lack of ready liquid assets to meet current liabilities. They are in the difficult position of not being able to realize on such equipment as organs, chairs and films, if called upon suddenly.

It was authoritatively stated that the business of the Allen Theatres had been very profitable until the company was developed too rapidly, upon insufficient capital. This, with a decline of earnings, caused by business depression, brought the company to a position in which it found it difficult to meet its commitments. The business of the Allen Theatres is spread all across Canada, the company operating theatres in Vancouver, Calgary, Edmonton, Moose Jaw, Winnipeg, Ottawa, Toronto and other points. The statement of affairs of Allen Theatres, Limited, shows direct liabilities of $392,031, preferred claims of $65,709; secured claims including $250,380 of the bank, mortgages of $168,700 and shares in subsidiary companies of $254,100 the total liabilities are placed at $687,293 and the assets at $951,618, the nominal surplus being $264,325.

The personal assignment of Jule and J. J. Allen consists largely of turning over to the Clarkson firm, for the benefit of creditors, 200,000 shares of common stock, no par value of Allen Theatres Limited. It may be the result of a judgment recently given in favor of New York bankers. It is the firm of Knauth, Machod and Kuhne, which possesses promissory notes amounting to $47,510 given to them by the Allen brothers in December 1920. Mr. Jule Allen stated that, "We cannot meet our obligations. The judgment for $45,000 had nothing to do with the company."

BANK OF MONTREAL PROFITS $2,221,426

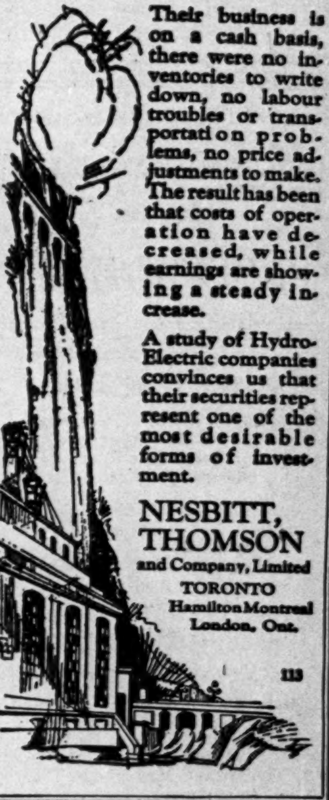
Total Assets $653,869,071 of Which $335,366,679 Are Liquid

The Bank of Montreal, in its half-yearly statement up to April 29th, shows that the situation arising through the absorption of the Merchants Bank has been taken care of while the Bank of Montreal has maintained its cash-in-hand position and liquid assets, as compared with liabilities to the public. The total assets stand at $335,866,697, while current loans to cities, towns and school districts total $301,568,129. Of these total loans, current loans, and discounts in Canada reach a total of $255,425,892; loans to cities, towns and municipalities $28,032, 607; and current loans outside of Canada $15,819,832.

Total deposits amount to $544,428,406 of which $401,852,088 are interest bearing and the remainder non-interest bearing. The profits for the half year after making full provision for bad and doubtful debts amounts to $221,426 which added to the balance brought forward from the profit and loss for the past year of $1,501,646, make available for distribution $3,723,072. After payment of dividends, war tax and the sum of $500,000 reserved for bank premises, there is left $1,629,675. Of this $1,050,000 has been transferred to rest account, which with the sum of $4,200,000 representing the net value over par of Bank of Montreal new stock issued in exchange for Merchants Bank shares, places the rest account at $27,250,000. The balance of profit and loss carried forward is $579,675.

Forging Ahead

Alone practically among industries, deflation has worked to the benefit of Water Power Companies.



Their business is on a cash basis, there were no inventories to write down, no labour troubles or transportation problems, no price adjustments to make. The result has been that costs of operation have decreased, while earnings are showing a steady increase.

A study of Hydro-Electric companies convinces us that their securities represent one of the most desirable forms of investment.

NESBITT, THOMSON
and Company, Limited
TORONTO
Hamilton Montreal
London, Ont.

113

Murray's Interest Tables

from 2½% to 8% at half per cent. rates on $100 to $10,000 from 1 day to 368 days.
For sale in single copies or in quantities by

The Toronto General Trust Corporation

Executor B. W. Murray Estate.
83 Bay Street, Toronto.

That the manufacturers of the United States are increasing their activities is evidenced by official figures of the importation of manufacturing material and also the official figures of the exports of manufactures.

Sixty Broadway
New York

We desire to announce that we have organized a

Canadian Securities Department

under the management of

Mr. W. Sturgis Macomber

an authority and specialist in Canadian securities for the past decade.

❦

Canada offers a field for safe and profitable investment comparable with that offered by the United States fifty years ago.

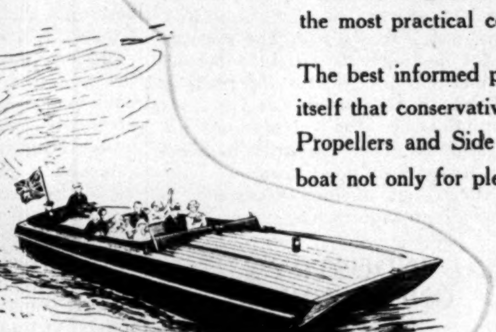
We invite you to confer with our Canadian Department for information, quotations, and counsel on Canadian Government, Provincial and City Bonds, and the bonds and shares of Canadian Railroad, Public Utility, and Industrial Corporations.

A private wire system links our office with the principal Canadian Markets.

McKinley & Morris
Members New York Stock Exchange

THE SEA SLED

A perfected Power Boat suited alike to commercial as well as to pleasure purposes



Cut returned to [illegible] June 1/22 [illegible]

Besides being the safest and most efficient motor driven craft, the Sea Sled is by far the most practical commercial power boat.

The best informed power boat authorities admit the fact. The Sea Sled has so proven itself that conservative authorities who were dubious about its inverted V-bottom, Surface Propellers and Side Plate Rudders now realize that this is indeed the ultimate power boat not only for pleasure but for commercial purposes as well.

The application of the Sea Sled principle to all types of motor craft is inevitable. Sea Sled efficiencies are even now affecting the development of power boats from those of the highest to those of the lowest speeds. The Sea Sled is the motor craft of the present and of the future.

The Sea Sled Company is a Canadian Company with an American branch, operating to capacity at Mystic, Conn.

Canadian Vickers, Limited, the largest shipbuilders in Canada—whose Vice-President, Mr. A. R. Gillham, is one of the Sea Sled Company's Directors — have taken over the Canadian agency and are now building and will sell Sea Sleds under license from the Sea Sled Company, Limited.

To handle the business already offered and to develop business to follow—upwards of twenty thousand written enquiries for Sea Sleds have already been received—the Sea Sled Company, Limited, is now issuing a limited number of shares. We offer and recommend the unsold balance at the original issue price of $20 per share.

The Sea Sled story in detail is told in descriptive illustrated literature which will be sent you on request without any obligation.

Write, 'phone or wire at our expense.

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Vice-President Laurentide Co., Ltd.
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Bought and Sold

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"Without Parallel in the History of the Industry"

is the way one writer describes the growth of the PIGGLY WIGGLY famous self-service grocery chain store system.

These stores are now being opened up in Canada by an entirely Canadian company of representative business men.

The public will benefit greatly by reduced grocery bills and the shareholders will profit from the large business done at small profits.

This is an opportunity for investment that comes very seldom.

Write for particulars.

W. R. CHARLTON & CO.
Investment Securities.
203 Dominion Express Building
MONTREAL

Clifton Porcupine

ORE equal in grade to that of any Northern Ontario gold mine has been opened up in substantial quantity in the work which has been done on this property.

Four cars, shipped to the smelters, totalling 82 tons in weight, gave an average of $147.68 per ton.

A new Treasury issue of 170,000 shares, the proceeds to be used in building a milling plant, is now offered for public subscription at 30c. per share.

No commissions are being paid, so that every dollar subscribed goes to the treasury without deduction.

Write for details of our "Money Back" offering of this stock

Homer L. Gibson
AND COMPANY
Bank of Hamilton Building,
TORONTO

The Overland Highway

Thousands of motor car owners travel it, year after year, with increasing satisfaction.

It's the comfortable road to travel, for Overland Triplex Springs smooth out the rough spots and give remarkably easy riding.

You'll hear it called the economical road, for most Overland owners obtain upwards of 26 miles to the gallon and more than 6500 miles to the set of tires.

Easy on gas, easy on tires, easy riding—that's the Overland road. More and more folks are traveling it as the months slip by. It is the thrifty road—it saves money for every traveler.

Where does the Overland Highway begin? At the place where you take delivery of the Overland. That is the starting point of a journey that knows no end of satisfaction.

Get on the Overland Highway. Call, write or 'phone us at the address below, for full directions. Overland Touring and Roadster $825; Special Touring $1,000; Coupe $1295; Special Sedan $1395; prices f. o. b. Toronto, sales tax extra.

WILLYS-OVERLAND, Limited,
Toronto Branch, 100 Richmond St., W.
Head Office and Factories:
TORONTO, CANADA.

THE MINING CORP. OF CANADA SHOWS A $522,434 LOSS

Largely Due to Decline in Silver Prices and High Operating Costs

PRODUCTION LOWER

Mines Closed For Three Months Meant Serious Loss of Profits to the Corporation.

The eighth annual report of the Mining Corporation of Canada shows a material falling off in production, and profits, due to the low price of silver during the year and the high operating costs. The profit at the mines was $77,643 together with interest, exchange and profit on investment of $61,660; the combined total at $139,303 against expenses of $661,738, left a net loss on the year's operations of $522,434.

Ore reserves at the end of 1921 were estimated at 1,935,745 ounces as compared with 2,181,000 ounces recorded in 1920. The price received for silver was very low compared with other years; the price received per ounce of silver produced was 88.09 cents in 1917; 110.11 in 1918; 114.67 in 1919; 96.77 in 1920; and 75.99 cents in 1921; it seems likely that a low price is to be expected during 1922, probably below 70 cents per ounce.

Scott Turner, consulting engineer, speaks hopefully of the outlook for 1919: "Your financial position is still satisfactory, and during the coming year your company will be able to investigate and acquire promising properties, should such be offered to you. The producers of gold are coming into a relatively strong position and vigorous competition from this source is to be expected in the market for mining properties."

The production from the old properties for the year was 495,511 ounces, and from the Buffalo Mine of the General Examining and Developing Company, 731,204 ounces a total og 1,226,716 ounces as against 1,708,252 in 1919 and 4,485,541 in 1917. None of the Cobalt Lake tailing was treated in 1921, owing to the low price of silver and high costs. Production from this source in 1920 amounted to 204,374 ounces. In the last annual report the total reserves including the Buffalo Mine, at the end of 1920 were estimated at 2,181,000 ounces. At the end of 1921, these estimate reserves are 1,935,745. It will be seen from the above that the main reserves are now in the Buffalo Mine.

J. P. Watson, president of the corporation, commenting on the year's activities said:

"During the first week of March, 1921, your directors decided to close down the mines and mills, as the price of silver was below the cost of production. We did not re-open until the end of May, using that time to make necessary alterations in our mills. This total stoppage of work, together with the low price of silver which has prevailed during 1921, has meant for our company a serious loss in profits. As noted in the balance sheet at the end of 1920, we have written off the loss on the Canadian Industrial Minerals, Limited.

"At the end of the year, the General Examining & Development Company, Limited, turned over to your company cash assets to the amount of $207,741, and reduced its capital by this amount. The shares of this subsidiary company have been written down in the books of your company by a similar amount, and are now carried in the balance sheet at $799,995. Future dividends depend largely upon the price of silver and the further reduction in operating.

STOCK MOVEMENTS OF THE WEEK

Week Ending May 22

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12	186	184	183¼	183¼	183¼	25
Dominion	12	....	190	192	191	191	29
Hamilton	12	167	165	168	168	168	15
Hochelaga	10	....	145	145	145	145	3
Imperial	12+1	....	170	171½	170	170	81
Molsons	12	....	158	160	160	160	16
Nova Scotia	16	....	257	259	258	259	11
Montreal	12	218	214	217½	216½	216½	110
Royal	12	200	198	199	198	198	106
Standard	14	201	200	200	200	200	7
Toronto	12	....	178	177½	177½	177½	7
Union	10	136	135	136	135	136	26
Industrials, Utilities, Etc.—							
Abitibi Pulp & Paper com.	..	53½	53	54½	52¾	53½	2618
Do pref.	7	....	90¼	90½	90¼	90½	50
Ames-Holden pref.	..	10	9	9	9	9	50
American Salesbook com.	..	18	16¼	16	16	16	229
Do pref.	7	88	86	90	90	90	5
Asbestos Corporation com.	6	57	56	57	55	57	155
Do pref.	7	....	75¼	75½	75½	75½	65
Atlantic Sugar com.	..	24	23	23½	22¼	23	1866
Barcelona Traction	..	6⅞	6⅝	6¾	6⅝	6¾	1215
Bell Telephone	8	....	110½	112	110	110½	1561
Brazilian Traction com.	..	49⅛	49	49⅞	46	49¼	52525
B. C. Fishing	..	....	28	29	27	28	308
British Empire Steel com.	..	11½	11	11⅞	10	11	1001
Do first pref.	7	78	75	74½	74½	74½	510
Do second pref.	..	29½	29	29½	28	29¼	1601
Brompton Pulp com.	..	32	31⅞	33¼	31¾	32	3992
Burt, F. N. com.	10	115	114½	116	114⅛	115	99
Canada Bread com.	..	34	33	34¾	32¼	33¾	900
Canada Car & Foundry com.	..	26	25¾	26	26	26	270
Do pref.	..	57	56	57	56	56	133
Canada Cement com.	6	66	65½	67	64¾	66	3984
Do pref.	7	....	92½	94¼	91½	93½	160
Canada Steamships, com.	..	22½	21¾	23¼	22	22¼	989
Do pref.	..	53	52¾	55	52¾	53	3649
Canadian Converters	7	80	....	80½	80	80	120
Canadian Cottons com.	8	90	....	91	90	90	115
Can. Consol. Rubber pref.	7	....	65	65	65	65	1
Canadian Fairbanks Morse pref.	6	....	70	70	70	70	30
Can. Foundries & Forgings com.	..	47	42½	48½	42½	45	440
Canadian Gen. Electric.	8	91	90½	92¼	89¾	90	664
Do pref.	7	....	101	101½	101	101½	9
Canadian Locomotive pref.	7	85	....	84	84	84	15
Canadian Pacific Railway	10	145¼	144¼	145	143	145	67
Canadian Salt	8	86	85	85	84	85	45
Carriage Factories com.	..	11	8	10¼	10¼	10¼	5
City Dairy com.	10	124	120	125	124	124	68
Do pref.	7	100	98	100	100	100	70
Consumers Gas	10	151	150	151	150	151	84
Detroit United Railway	..	61¼	61	61¾	61	61	235
Dominion Bridge	4	74⅝	74½	76	71½	74½	1729
Dominion Canners com.	..	35	33½	35	33¼	33¼	190
Do pref.	7	76	74	73½	73	73½	50
Dominion Glass com.	6	68	67½	68	67	67½	740
Do pref.	7	....	95	95	95	95	1
Dominion Textile com.	12	....	152½	154	153	153	100
Do pref.	7	109	....	109	109	109	9
Dominion Iron pref.	7	....	75	75	74	74	15
Dominion Steel Corp com.	..	33	32	32¼	31¼	32	90
Do pref.	6	....	70	75	74¾	74¾	40
Howard Smith Paper com.	6	69	67⅞	67⅞	67⅞	67⅞	50
Do pref.	8	93½	....	92½	91½	91½	146
Illinois Traction com.	..	....	34¾	34¾	34¾	34¾	135
Do pref.	6	80	79	80	79	80	39
Kaministiquia Power	8	83½	....	83½	83	83½	25
Lake of Woods Milling com.	12	....	163	165	163	165	20
Laurentide Paper	6	....	87	88½	87	87	395
Lyall Construction	..	42¼	....	43	42	42	143
Macdonald A. com.	..	15	14	14	14	14	50
Mackay com.	6	91½	91	93¼	91¼	91¼	988
Maple Leaf Milling com.	12	....	130	134	129⅞	129⅞	150
Do pref.	7	....	98¾	100	99¾	99¾	44
Mackay pref.	4	....	67	68	67	67½	107
Montreal Cottons pref.	7	106	....	106	106	106	10
Montreal Light, Heat. com.	5	91	90⅞	91	90½	91	889
Montreal Tram.	10	162	....	162	162	162	20
National Breweries com.	4	57¼	57⅛	58¾	56	57¾	4960
N. S. Steel com.	..	....	31	32	31¼	31¼	230
Ogilvie Flour, com.	12	....	233	235	235	235	5
Do pref.	7	118	108¼	118	113	118	60
Ottawa L. H. & Power	6	87	86¾	86½	85½	86¼	186
Pacific Burt com.	2	50	47	50	49⅞	50	75
Do pref.	7	89½	86	89	87	87½	40
Penmans com.	8	107	....	110	107	110	75
Do pref.	6	91¼	....	91	91	91	5
Porto Rico Railways com.	..	28	26¼	27	27	27	1
Do pref.	7	80	76	76	76	76	16
Price Bros.	2	32⅜	42	44	42½	43¼	760
Provincial Paper pref.	7	88	....	86	86	86	30
Quebec Railway	..	29⅜	29	29½	29⅞	29	10560
Riordon Pulp com.	..	9	8	10	8½	10	1161
Do pref.	..	19	17⅞	18	15	18	61
Sawyer Massey com.	..	10	....	5	5	5	4
Do pref.	..	30	....	22	22	22	6
Shawinigan	7	106	105¾	106	105⅛	106	204
Sherwin-Williams pref.	7	....	93	94	93	93	105
Spanish River Pulp com.	7	91	90½	89½	88	89½	875
Do pref.	7	97	96½	97	96	96	1116
Steel of Canada com.	7	76	75¼	76	71⅝	75¾	8562
Do pref.	7	....	97½	97½	97½	97½	4
St. Lawrence Flour com.	6	82	80	80	80	80	40
St. Maurice Paper	5	....	85	85	84½	85	25
Toronto Railway	..	66½	65½	66¼	63	66	1116
Tuckett Tobacco com.	4	49	47	49½	43	48¼	1094
Do pref.	7	87	....	88	86	88	95
Twin City com.	..	50	49	49⅞	48	49½	370
Wabasso Cotton	4	71¼	....	71½	70	71¼	625
Wayagamack Pulp	..	52½	52¼	52	52	52	60
Winnipeg Electric com.	..	41	40¼	43	40½	40½	273
Do pref.	7	87	....	87¾	87	87	193
Woods Mfg. com.	8	65	60	60	60	60	56
Can. Woollens, com.	7	29	28¼	29	27	28¼	180
Canada Landed	10	....	79	79	79	79	66
Canada Permanent	12	....	179	178½	178½	178½	1
Huron & Erie	6+¼	114	111	111	111	111	19
Montreal Loan	12+1	43	....	43	43	43	15
National Trust	12	198	197	198	198	198	6
Toronto General Trusts	12	210	205	210	210	210	2

We offer

$50,000
Government of Newfoundland
5½% Bonds
Due July 1, 1939.

Principal and interest payable in Canada and New York.

Price: 101 and interest yielding over

5.40%

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Dominion Bank Building
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An Unusual Opportunity

for the discriminating investor to secure a portion of the preferred stock of a progressive and very successful company with a record of half a century of growth.

These preferred shares pay a cumulative dividend, payable quarterly, of

8% participating to 11%

Write for further information.

JOHN STARK & CO
Established 1870
Members Toronto Stock Exchange
ROYAL BANK BUILDING TORONTO

Passenger earnings for the second week of May, reported by the Duluth-Superior Traction Company, amounted to $31,202 as compared with $33,508 for the corresponding period in 1921, a decrease of $2,305 or 6.9 per cent. From January 1, to May 14, the earnings totalled $630,272, a decrease of $40,823 or 6.1 per cent.

SAVE THE CHILDREN FUND

Canada is feeding

75,000 Russian Children

The money and food, which the people of Canada in their generosity have contributed to the Save The Children Fund, will be sufficient to feed Seventy Five Thousand Russian Children.

In addition to these, the British Save the Children Fund—with which the Canadian Fund is associated—has undertaken to care for 50,000 more, making a total of 300,000 children to be fed until the end of August, and perhaps throughout the winter.

You can understand the very urgent need of more money to continue the wonderful work that we have undertaken.

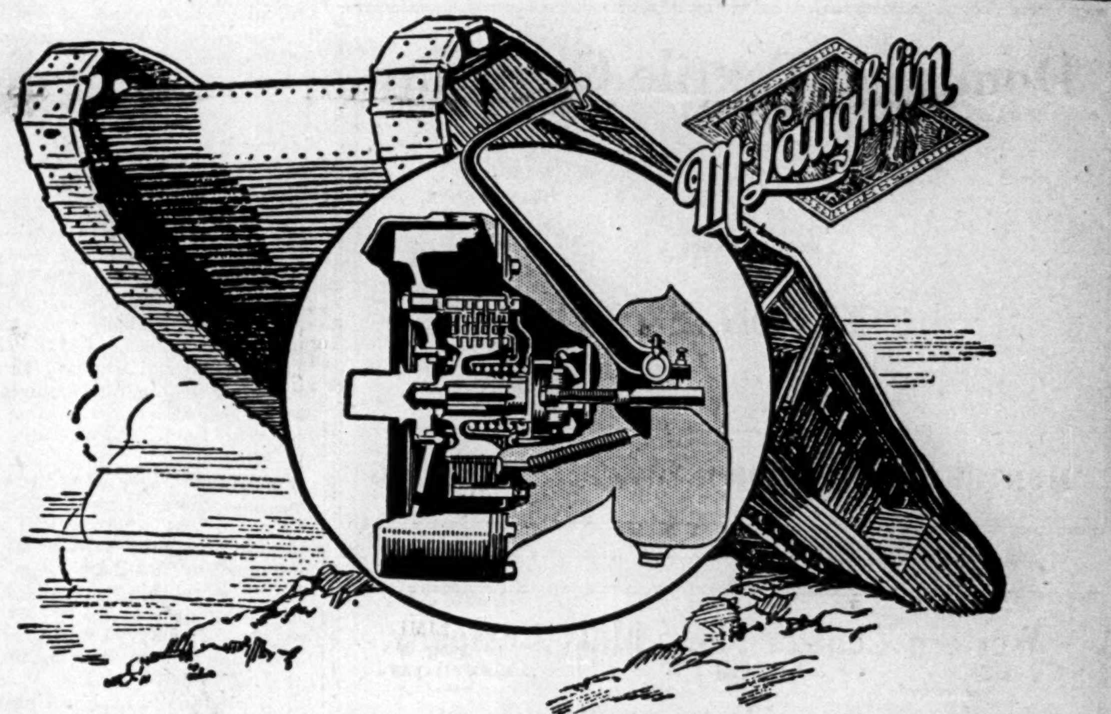
Will you not help?

Cheques and money orders may be forwarded through your bank or local committee, or sent direct to Sir George Burn, Treasurer, Save The Children Fund, Elgin Building, Ottawa.

All subscriptions are expended in Canada on Canadian Foodstuffs.

SAVE THE CHILDREN FUND

TORONTO SAVE THE CHILDREN COMMITTEE
Hon. Treasurer: C. D. Gordon, Dominion Bank.
Hon. President: Hon. W. L. Mackenzie King, C.M.G.
Hon. Vice-Presidents: Rt. Hon. Arthur Meighen, Hon. T. A. Crerar, Hon. Rodolphe Lemieux.



The McLaughlin-Buick Disc Clutch is the Great War Tank Clutch

These monstrous, powerful Buick war tanks plowing their way through swamp and forest—over trench, embankment and shell hole—battering their way through every obstacle—required above all things a clutch absolutely positive, dependable, and easy to operate.

This is the clutch that is used in McLaughlin-Buick cars. It provides the same certainty and safety either for ordinary service or unforeseen emergency.

This disc clutch is a development of twenty years of consistent effort. Rome was not built in a day—neither is a perfected clutch.

Master Sixes
22-44 Special Roadster $1965.00
22-45 Special Touring $1995.00
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22-47 Sedan $3095.00
22-48 4 Pass. Coupe $2945.00
22-49 Special 7 Pass. Touring $2345.00
22-50 7 Pass. Sedan $3445.00

Master Fours
23-34 Special Roadster $1340.00
23-35 Special Touring $1375.00
22-36 Coupe $1895.00
22-37 Sedan $1995.00

All Prices F.O.B. Oshawa, Ont.
Sales Tax Extra

Better cars are being built—and McLaughlin is building them.

A12

McLaughlin Motor Car Co., Limited
Subsidiary of General Motors of Canada, Limited, Oshawa, Ont.
Branches in leading Cities *Dealers Everywhere*

McLAUGHLIN-BUICK

World-Wide Banking

Do you engage in Foreign Trade? Then this Bank can be of great assistance to you.

Through the co-operation of correspondent Banks in all foreign countries, we are enabled to offer complete facilities for the prompt and accurate transaction of business the world over.

Let us furnish you with particulars regarding any foreign markets you are interested in. 340

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OF CANADA
216 BRANCHES IN CANADA

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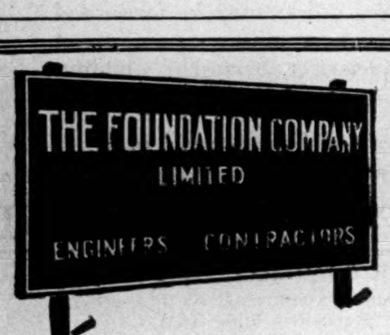
The Wabasso Cotton
Company, Limited

THREE RIVERS, P.Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns



Hydraulic and Steam Power Developments
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Dominion Textile Company
LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Western Canada Flour Mills Company
Limited
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J. E. MACFARLANE, *Gen. Mgr.*
Head Office: Toronto
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BIG GAIN IN SALES SUGAR REFINERIES SINCE YEAR BEGAN

Shipments Increased by Over 50,000,000 Lbs. Up to April 22

ACCUMULATE STOCKS

Suggestion Here That Prices May Go Higher—Manufacturing Over 20,000,000 lbs. Weekly

From Our Own Correspondent.

OTTAWA.—Figures in connection with the sugar refining industry of Canada as announced this week by the Dominion Bureau of Statistics indicate that the market for sugar is much improved over that of last year. During the period from January 1 to April 22, 1922, the shipments by Canadian refineries amounted to 278,322,290 lbs. as compared with 226,097,383 lbs. for the similar period of 1921, an increase of over 52,000,000 lbs. or 26,000 tons. During the period of four weeks ending April 22, 1922, there were shipped 73,331,114 lbs. as against 58,415,465 lbs. during the similar period of 1921, an increase of nearly 15,000,000 lbs. or a little over 7,000 tons. A large portion of this increase undoubtedly is due to the heavy export business that is still going on for Canadian refined sugar with Europe.

The figures covering raw sugar on hand shows that the refineries have about as much now as one year ago. For the first three months of last year they found themselves stocked up very heavily with raw sugar at a very high price, and they spent the most of last year getting rid of these supplies at a heavy loss. On April 22 of this year the stocks on hand of raws amounted to a little over 86,000,000 lbs. as compared with 75,000,000 one year ago. On January 1, 1922, there were only 14,000,000 lbs. on hand as compared with 167,000,000 at the beginning of January, 1921. On the other hand during the four weeks ending April 22 last there were purchased by Canadian refineries 133,360,337 lbs., where one year ago the purchases were 29,180,930 lbs.

The difference in buying of raw sugar for the first four months of this year as compared with last is shown in the fact that the figures for this year amount to 395,383,668 lbs. as against 110,503,502, an increase for this year of the large quantity of 142,500 tons of raws purchased, over last year. It must be remembered, of course, in dealing with last year's figures that the refineries were engaged in getting rid of their raws instead of selling.

Coming to the question of refined sugar it is seen that the plants have tendency to accumulate this during the past few weeks as on April 22 there were on hand in the refineries 77,377,793 lbs., where one year ago there were only 58,841,771. That is, from the first of January this year the refineries had accumulated 34,000,000 lbs. where in the same period last year they reduced their stocks by 15,000,000 lbs.

In the four weeks' period raw sugar was manufactured to the extent of 81,616,475 lbs., where in the similar period last year the manufactured only amounted to 58,161,297. The difference between this year and last is much more pronounced when the period from January 1 to April 22 is taken into account showing manufactures of 282,679,102 lbs. as against 185,170,086 in 1921, indicating that in the first four months of this year there were manufactured in Canada nearly 100,000,000 more pounds of sugar than one year ago, or 50,000 tons.

RAW SUGAR

	1922	1921
Week ended		
April 22-on hand	$86,235 632	$75,574,044
Jan. 1-on hand..	14,055,765	167,011,429
Receipts—4 wks to April 22.. ...	133,360,337	29,180,930
Receipts Jan. 1 to April 22	395,383,668	110,503,502

REFINED SUGAR

	1922	1921
On Hand, Apl. 22.	77,377,793	58,841,771
On Hand, Jan. 1	43,460,234	73,686,478
Change since Jan. 1..	+33,917,789	— 14,844,707

REFINED SUGAR—(Manufactured)

	1922	1921
Apl. 22	23,311,563	15,116,854
4-weeks' period ..	81,616,475	58,161,297
Jan. 1—Apl. 22	282,679,102	185,170,086

GRAN. SUGAR SHIPMENTS

	1922	1921
Apl. 22	15,538,530	9,448,538
4 weeks' period	64,663,066	52,302,773
Jan. 1, Apl. 22.	242,989,258	197,423,834

OUTLOOK FOR QUEBEC RY.

Prospects Bright for Tourist Traffic And Growth of City

MONTREAL.—Reports from Quebec indicate that the outlook for the Quebec Railway, Light, Heat and Power Co. is for improved earnings during the coming summer season. The tourist traffic is a very important element in the earnings of this company and reports state that a large number of conventions have been booked for Quebec this summer and that the regular tourist traffic is growing. In addition to this plans have been made for supplying a new parish, in which one hundred houses are being built by one of the religious orders, with light, heat, power and street railway service. Improvements are also being made at Kent House, Montmorency Falls, and the Company's business is booked to produce higher earnings. Various improvements are also planned in connection with the rolling stock. A short time after E. A. Robert became president of the Road, there was little interest apparently taken in the stock, but the last week or so the price has firmed up and a good deal of buying is in evidence.

OPINIONS DIFFER ON NEWSPRINT PRICES

General Impression That Market Will Hold Firm Around Present Levels

From Our Own Correspondent.

MONTREAL.—The pulp situation is not as strong as that of paper at the present time. The great market for Canadian Pulp is, of course, the United States as is the case with newsprint, and there the competition from Europe, particularly Sweden, still remains very strong. The result has been that the price of groundwood pulp and mechanical and chemical pulp still remains rather low.

A statement has been issued by Geo. M. McKee, president of the Canadian Pulp and Paper Association, which while it agrees with the opinion that the newsprint industry is in a better position than last year at this time gives little support to the idea of an increase in the contract price for newsprint in the near future. Mr. McKee's statement is as follows.

"While the newsprint industry may be said to be in a better position than it was a year ago, or even six months ago, it is certain that there is no real ground for the over-optimistic statements and rose-colored forecasts that are being spread abroad, presumably for their effect upon stock market speculations.

"It is quite true that most of the Canadian Mills are at present producing a greater volume of paper than they did during the slump period of last year. We hope that this is more than a passing condition brought about by seasonal influences and the desire of the newspaper publishers to forecast delayed shipments owing to the coal strike and to threatened labor troubles within the industry itself, but this cannot be determined accurately until the summer has further advanced and the publishers are able to estimate their fall requirements. At present newspaper circulation and advertising volume both show a gratifying increase over last year, which if it continues will undoubtedly help the situation.

"The persistent rumors of an increase in the contract price for newsprint before the end of the year, can, however, have no substantial basis, inasmuch as a sufficiently large proportion of the Canadian manufacturers are already committed for the remainder of the year to ensure price stability.

"While it is generally admitted, even by informed publishers, that the current price of newsprint does not yield an adequate return when current production costs are taken into account, the prospects for improvement in that direction are not encouraging, but must await the developments of the future."

HOPEFUL REPORT OF ARGONAUT GOLD

President Gives Encouraging Account at Annual Meeting—Promising Assays

From Our Own Correspondent.

MONTREAL.—At the annual meeting of the shareholders of Argonaut Gold, encouraging reports were given by the president, J. H. Rainville, K.C. Mr. Rainville stated that when the 200 ft. level had been reached the engineers announced that if they could duplicate the ore at successive levels they would be satisfied with the mine. At the 350 ft. level the ore was found to be of two-thirds greater value even than this. He read a despatch from the headquarters of the mine stating that the vein had been encountered at the 500 ft level some 220 feet from the shaft and was looking very well. This he accepted as indicating the permanent character of the mine.

Dealing with the report of the past year during which $74,000 was spent on development work, Mr. Rainville stated that the work of 1921 included sinking the shaft from the 200 ft. to the 385 ft. level and establishing a level at a depth of 330 feet. Approximately 1,000 feet of cross cutting and drifting had been made. This had opened up veins 350, 352 and 354 to a considerable length and these veins had proved to contain a high grade ore. Much of the machinery for the new mill, he reported, was now on hand, as well as cement, sand and other materials.

The financial report showed that in addition to $74,000 spent on development during the past year, the cost of financing, including head office expenses amounted to $72,500, the latter covering the four years of the company's existence.

The balance sheet reads as follows:

ASSETS

Cash	$ 8,243
Accts receivable	1,516
Inventories	14,764
Plant	40,649
Buildings	21,482
Huronia Mine, def. acct........	5,393
Mining props., lease, etc.	2,108,675
Investment	514,598
Head office exp.	39,426
Commission, etc.	33,229
Development	236,660
Total	$2,957,120

LIABILITIES

Bl. due Boisonnault claim	8,000
Working capital	41,592
Stock issued	2,907,527
Total	$2,957,120

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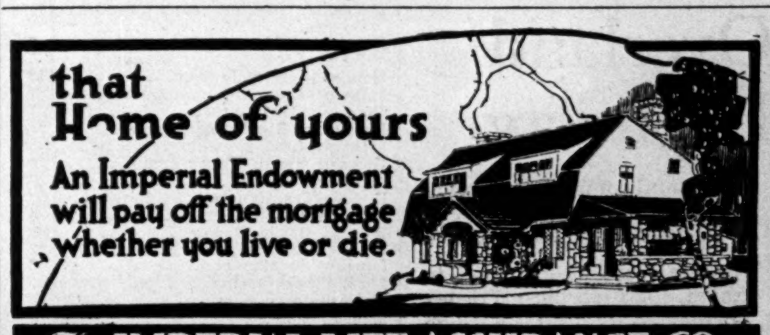
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Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,436.00

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CANADIAN COTTONS RUNNING AHEAD AFTER GOOD YEAR

Has 50 Per Cent. More Business on Hand Than One Year Ago

SALES OF $8,255,625

Excellent Record Under Difficult Situation—Profits Continue High and Working Capital Up

From Our Own Correspondent.

MONTREAL.—The shareholders of Canadian Cottons at the annual meeting held on Monday of this week were encouraged by the statement of the vice-president and managing director, A. O. Dawson, that the Company had at the present time 50 per cent. more orders than this time last year, and sufficient to keep the mills occupied for the next four months.

Referring to wages Mr. Dawson remarked that there had been no change in wages at the mills of this Company since the first drop made after the Armistice, amounting to about 12½ per cent. He went on to state that it might be necessary, however, if the reduction of 22½ per cent. that the mills of New England were endeavoring to secure, went into effect.

"If they get it we must follow suit," he declared, "in order that we may be able to hold our own against them." Very strong competition had developed with the Southern States in heavy goods such as Canadian Cottons manufactured, owing to the long hours, the low wages and the use of children that gave them an advantage over the Canadian mills, and in addition there was a fight on between the mills themselves which resulted in their selling below cost.

Appeal to Ottawa on Dumping

This is resulting in their dumping on the Canadian market and the Canadian Government has been asked to come to the aid of the mills and a dumping clause was now under the advisement of Hon. W. S. Fielding, Minister of Finance.

Mr. Dawson added that the Company's mills were in excellent shape without a single old loom in any of them. They were also going into their new year, commencing April 1, 1922, with a full supply of raw cotton which had been secured at low prices. He inferred that he was looking for an advance in the price of raw cotton owing to the fact that only 8,000,000 bales had been produced last year and 13,000,000 would be used to the time of the new cotton crop, which meant a drawing on the reserves to the extent of 5,000,000 bales. A serious situation might develop if the new crop was short, and in view of this the mills were keeping on the long side of the cotton supply.

Few Bad Debts

One of the shareholders complimented the Company on the fact that with sales of over $8,000,000 during the year, it had been necessary to set aside for bad debts the comparatively small amount of $30.000. This was little more than one-third of one per cent. on the turnover. C. R. Hosmer, the president, in reply to this, stated that the managing director, Mr. Dawson, kept very close to the job in connection with the debts owing the company and had been remarkably successful in holding bad debts down. He declared that the reserve for bad debts of $100,000 was being kept intact on the liability side of the ledger and that it was the policy of the Company to meet bad debts if possible out of current earnings, as had been done during the past year.

Profits of $575,000

The financial report of the Company for the year ended March 31, 1922, shows a very satisfactory condition of affairs. In spite of reduced sales and the universal inventory losses the profits held up remarkably well at $575,226, as against $679,468 in the previous year.

The sales for the year amounted to $8,255,625, where in 1920-21 they had been $11,231,102. A large portion of this drop, of course, was due to the decreased prices of cotton goods. The combined item of raw material, manufacturing cost, marketing administration, repairs, maintenance, depreciation, etc., amounted to $7,658,050 as compared with $10,817,112 the previous year.

Dealing with conditions during the year, the president, C. R. Hosmer, says:

> We look back on a year of unusual difficulties and of exceptional conditions. Not only had inventories to be written down, but, in addition, the mills for the first full six months period had to operate on short time and at declining prices.
>
> "On the other hand, in consequence of an abnormally small cotton crop last season, the market made a very heavy advance. We were fortunate in having on hand at the time a fairly large supply of raw material, which, together with the benefits obtained from the increased plant and equipment installed in recent year, has enabled us to show what we consider satisfactory results.
>
> "It would be difficult, as well as useless, to forecast the future, knowing that the prosperity of your business, like all other industries, is dependent upon improved conditions, and as the outlook is encouraging, your directors are therefore hopeful of the future of your company."

The balance sheet shows the working capital position of the Company as even better than one year ago the net margin of current assets over current liabilities being $1,321,961, or $45,000 in excess of the previous year. Cash is up over $100,000, and the mill's relation to its customers has been kept in excellent shape with accounts receivable reduced by almost $250,000. Bank loans are down, but accounts payable show a slight increase. During the year bonds were reduced from $4,505,205 to $4,441,331.

Below are given the comparative items in profit and loss accounts for the past three years, and the working capital accounts:

PROFIT AND LOSS ACCOUNT

	1921-22	1920-21	1919-20
	$	$	$
Profits	*575,226	679,468	1,581,045
Rentals, etc. ..	**93,345	**188,336	257,397
Total profit	668,571	867,804	1,838,443
Bond int. .. .	176,934	188,607	177,666
Balance	491,637	679,197	1,660,783
Pfd divs.	219,690	219,690	219,690
Balance	271,947	459,507	1,441,093
Com. divs.	217,240	217,240	176,507
Balance	54,708	242,267	1,264,585
Debt. res.	30,490	5,673	10,000
Balance	24,218	236,594	1,254,585
Replace Res.	....	....	400,000
Balance	24,218	236,594	854,585
Deprec. res. ..	......	....	....
Balance	24,218	36,594	454,585
Prev. surp..	2,720,072	2,683,478	2,228,893
Total surp.	2,744,290	2,720,072	2,683,478

*After depreciation **Interest on investments only.

WORKING CAPITAL ACCOUNT

Current Assets	1921-22	1920-21
Cash	$138,263	$24,516
Accts. rec.	1,448,394	1,697,798
Inventories, etc. ...	1,897,620	1,647,120
Govt. bonds	122,000	135,000
	$3,606,278	$3,504,435

Current Liabilities	1921-22	1920-21
Bank loans	$868,582	$1,067,895
Accts. payable	1,039,577	983,668
Accrued chgs.	145,712	145,712
Bills payable	230,445	31,103
	$2,284,317	$2,228,379
Bal. Work. Cap...	$1,321,961	$1,276,056

MURRAY-KAY SALES EQUAL IN VOLUME TO RECORD YEAR

But Deflation Cuts Down Revenue—Believe That Worst is Over

Notwithstanding the difficulties of the readjustment year, the Murray-Kay Company, of Toronto, was able to report in its statement for the year ending January 31, last, net income well in excess of dividend requirements. The total income from all sources amounted to $133,885, to which was added the balance at credit of profit and loss of $103,252. From these totals there was appropriated the sum of $4,737 on account of bad debts, $78,615 as depreciation in value of merchandise, and $70,000 in dividends on the preferred stock of the company. The balance after all charges amounted to $83,785.

President R. T. Gough says, in referring to the experience of the past year, said in part:

> "The year 1921 was a year of drastic deflation and liquidation, and while it may be not quite ended, still we believe the worst is over, and with care and caution the coming season should show marked improvement. The reduced purchasing powe rof the people as a whole, owing to somewhat unsettled conditions must have had its effect on general business. However, in reviewing the company's operations for the period just closed, we find the volume of business transacted almost equal to our greatest year's turnover, and had it not been for this deflation in merchandise our results would have been most satisfactory."
>
> "All stocks have been taken at cost or lower, and not greater than replacement. Department stocks are well assorted and marked at favorable prices that should command good spring business. Therefore, with economy in management and operation, and with assurances that inventory values are well within the present market price, your directors look to a decided improvement in business in 1922."

The balance sheet shows liquid assets totalling $1,402,556, as against current liabilities amounting to $602,555. Cash on hand totals $11.264. Accounts receivable amount to $364,678, as against accounts and bills payable of $432,555. Merchandise on hand is valued at $1,010.750, after depreciation. Among the current liabilities there is the sum of $170,000 due the banks. Provision has been made for dividends, exchange, taxes and bad debts to the extent of $61,130. Reserves total $303,785 and include depreciation reserve $120,000, reserve account, $100,000 and the balance at credit of profit and loss $83,785.

JOHN MORROW COMPANY

The John Morrow Screw & Nut Company, Limited, announces the establishment of an executive and sales office in Toronto on June 1st. The office will be in charge of J. F. MacKay, vice-president and general manager. Lt. Col. Edmonds, director and secretary, has been made secretary-treasurer and J. E. Hargan, in addition to his duties as works manager, will act as assistant-treasurer.

At the present time the company has only about $400,000 of 6½ per cent. bonds, due 1931, outstanding. Increased demand for the lines manufactured by this company is evident, for almost the entire works are now working on a 50-hour week. The Ingersoll File Company, a subsidiary of the Morrow Company, is also enjoying greater activity.

INITIAL UNIT OF MANITOBA POWER READY THIS YEAR

New Hydro-Electric Project to be Partially Completed by Christmas

TO COST $7,500,000

Primary Installation Calls For Delivery of 170,000 H.P. Dam Will be Over 4,000 Feet in Length

The engineers of the Manitoba Power Company, Limited, have announced that by Christmas of this year the first unit of the 170,000 horse-power development project at Grand Falls will be completed and the power delivered in Winnipeg. This company is a subsidiary of the Winnipeg Electric Company and the new hydro-electric project will, it is estimated, cost $7,500,000 to complete and will do much to provide for the electrical needs of the city of Winnipeg for many years to come.

F. H. Martin, chief engineer and designer for the company, in describing the development, explains that there are numerous falls on the Winnipeg River which could be developed, and at Great Falls several of these falls have been included in one concentration by the construction of the dam and power house. The general scheme of development, therefore, comprises a dam, for raising the water and a power house for utilizing the entire flow of the Winnipeg River, thus forming a pond or reservoir approximately 2,000 acres in extent and providing a deep, wide body of water reaching upstream a distance of five miles and flooding out the existing rapids. The dam at Island No. 2 will raise the water level 46 feet and by excavating a channel 200 feet wide, 20 feet deep and about 1,800 feet long at White Mud Falls, the entire reach of the river below the power site to White Mud Falls will be lowered ten feet or more, making a total operating head of 56 feet, for which head the turbines are designed. In the construction of the dam, the rock excavated from the cut at White Mud Falls will be utilized. The dam will have a maximum height of 70 feet and will be over 4,000 feet in length. The power house will be 110 feet wide, 380 feet long and have a maximum height of 145 feet. The immediate plans are for three units and the power house will be so built as to provide for further extension without great expense.

Sir Augustus Nanton, president of the company, in speaking of the prospects of the company, stated that:

> Coming down the years, in the same pioneer spirit of the old days, this Great Falls plant is being constructed looking to the future, looking to the further upbuilding and development of Greater Winnipeg, and it is not improper in this connection to couple with the names of the pioneers the names of the men whose tenacity and hard personal work and faith in Greater Winnipeg has resulted in convincing the financiers, who have underwritten the bond issue floated to provide the money to build this plant, that it is commercially practicable.
>
> I feel that every business man who is at all familiar with the difficulties that have attended the obtaining of capital for new ventures during recent years, will agree with me when I say that the financing of this plant involved an intricate and heavy task. But it has been accomplished, and the second important task in the consummation of this great project—the construction of the plant—is now well advanced and will be carried through to completion as expeditiously as possible.

The officers of the company, headed by Sir Augustus Nanton, are as follows: Directors, A. W. McLimont, F. M. Morse, A. J. Nesbitt, G. W. Allen, K.C.; W. R. Bawlf, W. J. Bulman, J. C. Smith and S. L. Fuller.

NOVA SCOTIA TRAMWAYS

Steady Increases in Net Earnings as Costs Fall

From Our Own Correspondent.

MONTREAL.—While the earnings of the Nova Scotia Tramways and Power Company in the gross are running slightly behind those of last year in the important point of net earnings Taking the four months to date the there is shown a very heavy increase. net earnings amount to $122,000 as against $72,000 for the first four months of 1921. After meeting interest and sinking funds for this period the surplus amounted to $47,000 as against a little over $4,000 for the same period last year. Below is given the record for the month of April of both years and for the four months up to April 30 as well.

	April 1922	April 1921
Gross earn	$123,065	$127,464
Oper. exp. & tax........	85,630	106,436
Net for interest	$37,435	$21,028
Int. and sink F........	18,542	17,065
Surplus	$ 18,893	$ 3,963

	Four Months 1922	Four Months 1921
Gross earn	$527,519	$543,880
Op. exp. and tax......	405,420	471,236
Net for interest	$122,099	$ 72,644
Int. & sink F...........	74,168	$ 68,260
Surplus	$ 47,931	$ 4,384

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MONTREAL

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OLD CHUM

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The Tobacco of Quality

Provincial Legislation Affecting Companies

At the annual meeting of the Ontario division of the Canadian Manufacturers' Association recently attention was called to the fact that since the judgment of the Privy Council handed down in February 1921, seven provinces have enacted amendments of their provincial acts, being Ontario, Quebec, Nova Scotia, New Brunswick, British Columbia, Saskatchewan and Alberta. The Ontario Government has now announced that fees for licenses in mortmain are to be based on the value of the land owned by the corporation for the purpose of carrying on its business in the province.

As the result of negotiations the Ontario Government has agreed to convene an interprovincial conference towards securing a more uniform legislation regarding company matters. All the provinces with the exception of Prince Edward Island have promised to take part. The council of the Canadian Bar Association has agreed to co-operate and the members of the Canadian Bar Association's committee on uniform legislation will co-operate with the legislation committee of the C. M. A.

NEW USE FOR RADIO

Notable among new practical uses ascribed to the radio is the detection of approaching thunderstorms and other disturbances that might have a serious effect on electrical service. This advance warning permits of adjustments that will avert electrical service difficulties. Radio has been found to be particularly useful in inter-station communication at big power plants, it is declared by the heads of these utilities.

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Dunlop 1922

Facilities	—	Unsurpassed
Tire Quality	—	Never Better
Prices	—	Lowest of the Low
Mileage	—	Record-breaking

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The B.O.D. get the Annual Report

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MONEY, BANKING AND EXCHANGE

JUDGE DECLARES MACAROW RETURN WAS NOT FALSE

Charge Against Former Manager of Merchants Bank Thrown Out.

From Our Own Correspondent

MONTREAL.—The result of the preliminary trial of D. C. Macarow, formerly general manager of the Merchants Bank, on the charge of wilfully making false return to the Minister of Finance in the report of October last, was the acquittal of the accused and the further laying over of the trial of the late president of the bank, Sir Montagu Allan, until it is seen whether any further action will be taken by the Crown against Mr. Macarow. The finding of Judge Cusson, who tried the case, leaves no opening even for the suggestion of the Crown of "negligence" in case the element of a "wilfulness" was not sustained. He declares that "the report of the month of October made to the Minister of Finance is not false and of a deceptive nature."

The main loss in the case of Thornton Davidson & Co., the judgment declares, one of $3,000,000, was announced to the Minister previously, while the classifying of certain securities against an account of $822,000 as a "current account" instead of as "debentures and shares" he does not consider was of a deceptive nature. The failure to take into consideration in the October return to the Government of figures contained in the semi-annual reports, he does not condemn, as it was not required by law, and in fact many of the reports were not received in time, and those that had been were not seen by Mr. Macarow. Nor was deception shown in the case of the Bank's real estate.

In referring to the Allan case the Judge declared that if the Macarow case were taken before a Grand Jury and again thrown out, or if a true bill were found and the case thrown out by the Court of King's Bench, it would be useless going on with the Allan case. On the other hand, if a true bill were obtained against Mr. Macarow and a judgment secured against him in King's Bench, then the Allan case would be directly affected thereby. He therefore decided to continue the Allan hearing till June 1.

The following is the judgment in full:

"The prisoner is accused of having wilfully made a false statement of a nature calculated to deceive in a report to the Minister of Finance on the affairs of the Merchants Bank for the month of October, 1921.

"Section 112 of the Bank Act imposes upon the chief accountant, the president and the general manager the duty of making a monthly report to the Minister of Finances on all the items enumerated in Schedule 'D' of the Act.

"These reports must be made and forwarded within the first twenty days of the month following that on which the report is made.

"Section 153 provides a penalty for the violation of the obligation thus imposed; it provides that he who wilfully makes a false statement of a nature calculated to deceive in such a report commits a criminal act.

"The bank had 350 branches distributed throughout the country. Each month, the managers of all these branches forwarded to the head office, in Montreal, a report containing all the information required by Schedule 'D': these 350 reports were condensed in a single one and transmitted to the Minister of Finance after having been signed by the chief accountant, the president and the general manager, D. C. Macarow.

"The prosecution does not contend that the information transmitted to the Minister was not exactly the information supplied by the managers of the branches, but the prosecution contends that the report to the Minister should have incorporated all the information contained in the semi-annual reports, compiled in April and in September and which would have shown the bank's condition in a more unfavorable light by showing a greater amount of unrecoverable credits, bad and doubtful debts.

Reports Had Not Been Seen

"The law does not impose upon the managers of branches the obligation of making such semi-annual reports; this is simply a rule of the bank for its own internal regulation. Proof has been made that of these semi-annual statements, only those of April were classified (tabulated) because they were to be used for the annual meeting of the shareholders; those of September were simply left as they were when received and used solely for reference purposes when needed.

"It has been proved that all the semi-annual reports for September had not been received when the October report was prepared and that Mr. Macarow had not seen those which had been received.

"My opinion is that in not taking account of the September semi-annual report in the preparation of the October monthly report, the prisoner did not wilfully make any false statement of a nature calculated to deceive.

"Another point on which the prisoner is charged relates to the transactions with Thronton Davidson. These latter were a brokerage firm, members of the Stock Exchange, who had a very considerable account with the bank. Their current account was guaranteeed by their placing in trust shares of industrial companies; there was a sudden and considerable drop in the value of these shares which brought about the brokers' failure. At that their indebtedness to the bank was about $4,000,000.

Thornton Davidson Case

"A compromise was arrived at with the trustee in bankruptcy, by which the bank abandoned its claim against the estate on the condition that it retained the securities it held, of a value then estimated at $822,000. The loss of about $3,000,000 was announced to the minister in a report previous to that of October, and was deducted from the assets of the bank. The shares held as security were retained pending an opportune occasion to sell them, and in the monthly report of October they were classed in current accounts.

"The criticism offered by the prosecution is that this was no longer a current account, the brokers' account having then been closed; that it should have been classified as 'debentures and shares." There are two sides to the question of which of these categories they should have been classed in; in one sense the stocks held as securities were in a current account, in so far as they were in an account in course of liquidation.

"What appears certain to me is that the officers of the bank, in classifying them thus, did not make a declaration of a deceptive nature.

"The Liberty National Bank of New York transmitted to the Merchants Bank the sum of $400,000 to be advanced to brokers in Montreal in sight loans. The sum was to be loaned, then withdrawn and returned to New York. The profit for the Merchants Bank consisted of their drawing bigger interest than that paid to the New York bank. This operation does not appear in the monthly reports at all.

"It is not questioned that the loans at sight were well secured; the criticism is that it was a defect of accounting not to have made the necessary entries on both sides of the ledger. This criticism seems to me well founded, but I do not see any omission knowingly made with the object of deceiving; I cannot see what interest the officers of the bank could have had in not showing the transaction as it occurred.

"The bank created an affiliated corporation called the Merchants Realty, to which was ceded all the real estate of the bank, valued at $6,000,000, and from which the bank took in exchange debentures to the amount of $4,000,000, and shares to the value of $2,000,000. In the monthly reports that security is classed as bank real estate. Plaintiff maintains that as the bank no longer held this real estate, but had taken securities in its place, the monthly report to the minister should have shown them as debentures and shares. Section 79 of the Bank Act requires the bank to make a report annually, in January, showing the value of its real estate. In January, 1921, the bank made this report, declaring that the four millions of real estate are represented by Merchants Realty shares.

"Since the Bank of Montreal absorbed the Merchants Bank the same classification has been continued. In consequence of the creation of this subsidiary the bank has continued to own this real estate, but instead of owning it directly, held it indirectly, and in continuing to show the item as real estate did not make a deceptive declaration.

"I think that the same can be said of another subsidiary, the Lands Security Corporation.

"I am of opinion that the report of the month of October made to the Minister of Finance, is not false, and of a deceptive nature, and was not knowingly made with that object, and therefore I dismiss the complaint.

(Signed), "VICTOR CUSSON,
"Judge of Sessions."

Bank Deposits and Note Circulation

In the House of Commons, Mr. Coote asked the following questions regarding the chartered banks notes, deposits, etc.:

1. What was the largest amount of notes, of Canadian chartered banks, in circulation in each of the years 1901, 1911 and 1921?

2. What was the largest amount of deposits of these banks with the Minister of Finance for security of note circulation during each of these years?

3. What was the largest amount of deposits of these banks in central gold reserves during each of the said years?

4. What was the largest amount of railway and other bonds, debentures and stocks held by these banks in each of said years?

5. What was the largest amount of call and short loans in Canada of said banks in each of these years?

And Hon. Mr. Fielding, Minister of Finance, replied:

	1901	1911	1921
1 ..	$60,397,097	$111,943,580	$229,608,213
2 ..	2,568,918	5,815,000	6,529,310
3 ..	——	——	95,302,533
4 ..	33,061,712	64,889,452	46,605,691
5 ..	39,324,335	72,640,526	113,818,308
6 ..	50,963,477	104,009,030	193,001,119
7 ..	1,078,810	1,575,328	4,582,328
8 ..	12,834,058	10,348,216	11,130,653

The return specified by the Bank Act is of the "aggregate amount of loans to directors and firms of which they are partners."

CHARGED HE RAISED GOVERNMENT CHECK

An Interesting Case Being Investigated in Court at Regina

From Our Own Correspondent.

REGINA.—A forgery case which presents certain original elements of which bank men would be well-advised to take note, is in progress here.

Thomas Taylor, a farmer of Dysart, Sask., is alleged to have "raised" a government check from $8.89 to $8,000.89 and to have secured the money from the Bank of Montreal.

The check—as originally issued—was for payment of Taylor's services as deputy returning officer at the time of the federal election.

Taylor brought the check to Regina, deposited it with the bank with instructions to transfer the proceeds to his account at Dysart. This, at least, is the allegation made by the prosecution. When the money was withdrawn from the bank at Dysart, it is alleged to have been used for the payment of debts, for the purchase of an automobile and for other purposes.

The accused who holds considerable land at Dysart, partly under the Soldier's Settlement Plan, made no attempt to decamp. He is awaiting trial.

POLITICAL FACTOR LARGELY CONTROLS WORLD EXCHANGES

May Take From One to Five Years to Stabilize Conditions

Again sterling has refused to be influenced by unfavorable political news. The only movement throughout the past week was confined within the limit of one point and for two days quotations remained steady at $4.44 13/16. Other European rates showed only small day-to-day fluctuations. These significant factors in exchange, which many people consider to be an international barometer, would appear to uphold the coming financial conference to be held at the Hague. While there was very little constructive work carried out at Genoa, there appears to be a better feeling shown that some solution can be reached for Europe's many financial problems.

During the past week, Mr. Hoover has given out a summary of the reports received by him in his capacity as chairman of the Inter-American High Commission from the different national sections of that commission representing their views on the principal factors of the Inter-American exchange situation. The subject was discussed at meetings of the sections in their respective capitals at the end of December, and it was agreed to exchange reports in order to be certain that the members of the sections are in agreement on the underlying causes of exchange fluctuations.

The findings of the report are given in part below:

Briefly, the reports received indicate that all the sections of the commission agree that European political and economic uncertainties are responsible for the continued depression and, what is worse, fluctuation of world exchanges, including exchange rates between the American countries. Several of them emphasize the necessity of economy in public expenditures, liberality in tariff policies and co-operation between banking institutions as possible remedies. Others declare that stable exchange conditions will not recur until the normal balances of trade have been restored.

The estimates of the time it will take for exchange stabilization to be effected vary from one to five years in the reports of the different sections; several emphasize political settlements in Europe as indispensable preliminaries to stabilization.

Much importance is attached to the necessity of restoring public confidence in national credit through restriction of issues of paper currency and unflinching adherence to the policy of gradual deflation of credit, public and private alike. Individual economists and financiers nearly all expressed the conviction that no fundamental and permanent relief from the uncertainties of exchange fluctuations can be secured until the situation in Europe shall have been put on a basis of restored public confidence and balanced budgets.

At no time during the past week did Canadian funds move above 1 per cent. discount. This course is the continuation of the weakness that set in last week when the rate dipped below 1 per cent. for the first time in over three years. Probably the transference of part of the recent Federal loan to Canada and the increasing demand for Canadian industrial investment of $61,660; the combined total contributing factors to the present low rate.

NEW YORK FUNDS

May 18—Funds were steady, moving up to 15-16 at close.

May 19—Continued steady opening at 5-16, closed at 29-32.

May 20—Opened unchanged from the previous close, 7-8 at close.

May 22—No change in funds, opening at 29-32, closing at 7-8.

May 23—Funds opened weak at 15-16, reached a high of 29-32 before close.

STERLING AND FRANCS

	Demand	Cables	Demand	Cables
May 18 ...	$4.44 3-4	$4.45 1-2	10.97	10.99
May 19 ...	4.44 13-16	4.45 9-16	11.03	11.32
May 20 ...	4.44 13-16	4.45 9-16		
May 22 ...	4.44 11-16	4.45 7-16	11.12	11.14
May 23.	$4.44 13-16	$4.45 9-16	11.08	11.10
May 24.	4.44 13-16	4.45 9-16	11.09	11.11

Weekly Bank Clearings

(In comparison with same week last year)

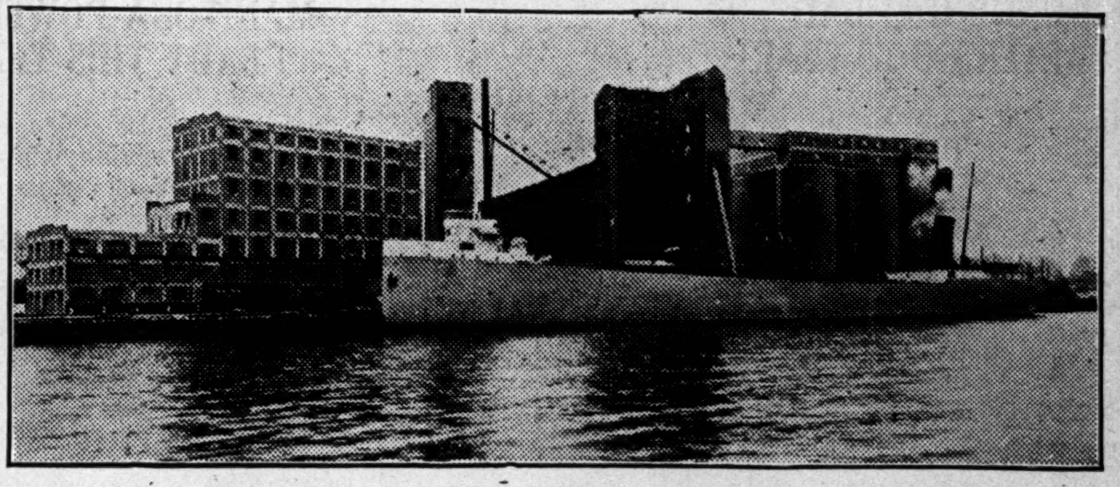
EASTERN CITIES

	May 18, 1922	Change	%
Montreal	$132,194,770	+$ 2,405,611	1.8
Toronto	101,783,406	— 1,246,124	1.2
Ottawa	9,970,378	— 1,022,269	9.3
Hamilton	5,824,677	— 757,889	11.2
Quebec	5,460,050	+ 225,891	4.3
Windsor	4,344,562	+ 676,556	18.4
St. John	4,295,617	+ 1,178,332	37.8
Halifax	3,248,474	— 61,804	1.8
London	2,953,338	— 573,560	16.2
Brantford	1,149,210	— 100,517	8.0
Kitchener	1,111,650	+ 18,649	17.0
Moncton	1,023,978	— 154,442	13.1
Sherbrooke	828,287	— 384,746	31.7
Peterboro,	766,969	— 151,332	16.4
Kingston	631,478	— 252,374	28.5
Total East	$275,586,844	—$ 200,018	.07

WESTERN CITIES

	May 18, 1922	Change	%
Winnipeg	$ 46,553,683	—$ 5,886,976	11.2
Vancouver	12,873,794	— 571,510	11.2
Calgary	5,537,140	— 1,071,451	16.2
Edmonton	4,930,600	— 713,393	12.6
Regina	2,892,569	— 717,543	19.8
Victoria	1,980,522	— 423,525	17.6
Saskatoon	1,407,512	— 433,314	23.5
Moose Jaw	979,839	— 306,772	23.8
Ft. William	689,393	— 115,305	14.3
Brandon	559,554	— 177,480	24.0
N. Westm't'r	502,295	— 143,151	22.1
Lethbridge	492,695	— 169,279	25.6
Med. Hat.	330,364	— 118,175	26.3
Total West	79,729,960	—$10,847,874	11.9
Grand Total	$355,316,804	—$11,047,832	3.0
Prince Albert	313,577		
Yr. to date	$4,815,138,683	—$441,774,390	8.4

THE COPELAND FLOUR MILLS, LIMITED



The above is a reproduction from a photograph of the Copeland Flour Mills, the Midland Elevators, and one of the twenty ships of the Great Lakes Transportation Company, Limited, fleet. The three companies represented in the above picture are closely related, and represent one of the strongest combinations of its kind on the North American Continent.

This is the Mill That is Living Up to What Was Expected of It

Why shouldn't it? Consider the advantages it enjoys. You can see from the photograph what a modern, up-to-date plant it is, and how excellently it is placed in regard to elevator and shipping facilities. The elevator has a conveyor right into the mill. The Great Lake freighters come right up to the dock, so that the cost of handling grain is reduced to a minimum.

In the mill there is not only the most modern machinery, but the layout of the plant is such that no energy is wasted. There is no unnecessary loss in overhead from the time the grain comes into the mill until it goes out in the form of flour and feed.

Not only has the Company wonderful facilities for export business, but it is remarkably well located to take care of a good domestic trade. At present the mill is running at full capacity, with orders in hand for a considerable period ahead.

The selling organization is very strong—being composed of experienced men with influential connections.

All the big milling companies have weathered the business depression, maintaining substantial earnings by contrast with the embarrassment most industries have suffered.

This proves conclusively that the securities of milling companies are an exceptionally safe and lucrative investment.

The management is in the hands of men who have had a lifetime of successful experience in the flour milling industry.

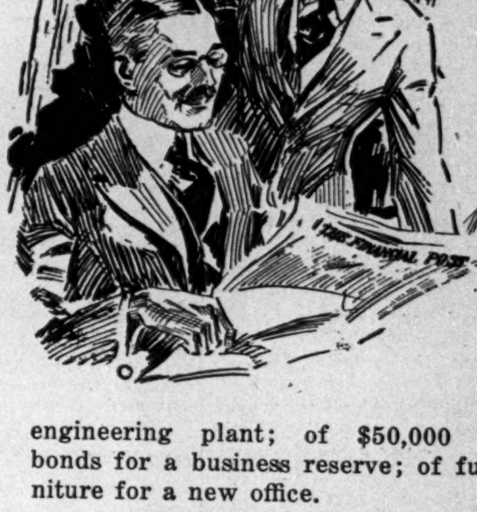
It is for these reasons that investors are buying—and we are confidently recommending others to buy—the 8% Sinking Fund Cumulative Preference Shares of the Copeland Flour Mills, Limited, at $100 per share, with a bonus of 30% in Common shares.

The Preferred Shares being the senior security of the Company, the investment is exceptionally well secured, and the Common shares given as a bonus should become very valuable.

We invite you to send in your order at once for a block of these Shares, or to write now for a descriptive circular.

BANKERS BOND COMPANY
LIMITED
60 King St. West TORONTO

"A Member of the Board"



AT THE regular weekly meetings of the board of directors of one of Canada's large mercantile organizations THE FINANCIAL POST is a valuable help. Articles are read from it by the general manager indicating the trend of business and its advice and news are considered as valuable to the board of directors as the reports and recommendations of the department heads. THE FINANCIAL POST is in reality sitting on the board of this company.

From coast to coast executives and directors of industrial, financial and mercantile plants, financial houses—businesses of all kinds—study THE POST carefully each week. **To Canadian business men it is more valuable than so-called business and economic "services" costing twenty and thirty times as much.**

These business executives who read THE FINANCIAL POST so closely are men of great purchasing power. They control the buying policies of corporations in every line of business. The word of one of these men may mean the purchase of 25 salesmen's automobiles; of the equipment for an engineering plant; of $50,000 of bonds for a business reserve; of furniture for a new office.

And as individuals they are men of buying power—and more, men of discrimination. And as there is competition, keen competition, for their business, they must be met on their own high level.

The advertiser can talk to them on terms of equality in their own weekly journal by advertising through the columns of THE FINANCIAL POST. In fact to reach the men higher up in business organizations, the men who are so hard to sell, not only the purchasing agents but the men beyond them, there is no more direct way than by advertising in THE FINANCIAL POST.

Place your message before the directors and the executives. Do it through THE FINANCIAL POST.

THE FINANCIAL POST Gives the Advertiser
"QUANTITY of QUALITY."

First Mortgage Industrial Bonds yielding 7½% to 9%

While Government and Municipal Bonds have advanced in price, sound industrial bonds are still obtainable at a relatively low figure.

We can offer a selection of the highest grade First Mortgage Bonds of sound Canadian industries, of various maturities, yielding from 7½% to 9%. These bonds are well secured, and afford a thoroughly sound investment. Write us for particulars.

Graham, Sanson & Co.
Limited
INVESTMENT BANKERS
85 Bay Street 37 James St. S.
TORONTO HAMILTON

$110,000
TOWN OF
EAST ANGUS, QUE.
30 Year 6% Coupon Bonds
Denominations $1,000
104.29 and Interest, to Yield
5.70%

East Angus is a thriving town of 4,500 people in the prosperous Eastern Townships section of Quebec.

The Eastern Townships section is to the Province of Quebec what Western Ontario is to the Province of Ontario.

The yield on these Bonds is considerably above the present average, consequently they are a remarkably good buy.

Write for Circular.

McLeod, Young, Weir & Co., Ltd.
23 Jordan St. 40 Hospital St.
TORONTO MONTREAL

Public Utility Bonds Yielding Over 7%

We own and offer some exceedingly desirable Public Utility Bonds which may be purchased in $500 and $1,000 denominations to yield between 7% and 7½%.

In view of the advancing market, we recommend you to write immediately for full particulars.

Stewart, McNair, Reid & Co.,
Members Toronto Stock Exchange
88 Bay Street Toronto

NEWS AND VIEWS FOR MANAGERS

IMPERIAL BANK MADE ALLOWANCE FOR PREMISES

Two Hundred Thousand To Adjust Real Estate Values

The small reduction shown in the net profits of the Imperial Bank for the year ending April 29, might have been anticipated in view of the industrial and commercial conditions which have prevailed. The total of $1,265,839 compared with $1,287,061 in the previous year, and $1,379,319 in the year ending in 1920. After the payment of dividends a special reserve for bank premises of $200,000 was made. Following are comparative figures of the profit and loss account:

	1921-22	1920-21	1919-20
Net prof.	$1,265,839	$1,287,061	$1,379,319
Bal. for. .	1,171,839	1,062,278	865,459
	$2,437,678	$2,349,339	$2,244,778
Dividends	910,000	910,000	910,000
Pension fd.	42,500	142,500	142,500
Taxes . .	110,000	125,000	125,000
Premises .	200,000	——	——
Repatriation	——	——	5,000
Balance. .	1,175,178	1,171,839	1,062,278
	$2,437,678	$2,349,339	$2,244,778
Earn. in cap.	18.07	18.38	19.70
*Earn. rate	8.1	8.3	9.0
Dividend	12+1	12+1	12+1

*On aggregate of the average capital reserves and balance forward.

The balance sheet and the whole statement indicate that, while there has been a general shrinking in the business of banks as shown in the public government returns, the affairs of the Imperial Bank have been well maintained. One of the few important changes in the items is the reduction in note circulation of $2,600,000 which is offset by the reduction of the amount on deposit in the central gold reserve, and is due to the general slowing up of commercial business in Canada during the year. This is, of course, reflected in the decrease in total assets and total liabilities.

The reduction in current loans of $2,800,000 indicated the trend of business conditions. There was also a reduction in loans on public securities of $6,625,000 and in municipal loans of $1,825,000. By an increase of over $8,000,000 in investments on government securities, however, the bank was able to materially improve its position as regards immediately available liquid assets which, according to THE FINANCIAL POST'S analysis, increased from 28.6% to 35.4% of the total assets, and from 32.7% to 40.6% of total liabilities to the public. Of this class of assets the gold reserve was also reduced, as previously pointed out, but holdings of Dominion notes increased nearly $2,000,000 and call loans abroad $1,800,000.

IMMEDIATELY AVAILABLE LIQUID ASSETS

	1921-22	1920-21	Change
Specie	$1,802,073	$1,753,129+	$48,944
Dom. notes	12,804,066	10,870,316+	1,933,750
Note cir dep.	369,041	384,409—	15,368
Notes, bk.	998,045	980,839+	17,206
Bank bal.	397,580	379,145+	18,435
Do., ab'd	2,275,878	3,494,970—	1,219,092
Gov. sec.	14,153,700	6,091,725+	8,061,975
Cheques	5,680,687	5,739,508—	58,821
Gold res.	4,002,533	7,002,533—	3,000,000
Call loans ab'd	1,800,000	..........+	1,800,000
	$44,283,603	$36,696,574+	$7,587,029
% total assets	35.4	28.6+	6.8
% total liab. to public	40.6	32.7+	7.9
OTHER ASSETS			
Pub. sec.	$1,479,711	$8,106,219—	$6,626,448
Other secs.	857,016	409,180+	447,836
Loans, Gov.	1,044,902	942,000+	102.902
Current	59,151,221	61,957,401—	2,806,180
Call loans	3,964,801	3,721,714+	243,087
Over debts	352,154	717,675—	365,521
Lets.of cred	100,700	97,716+	2,984
Real estate	552,616	502,627+	49,989
Mortgages	408,027	410,277—	2,250
Premises	5,521,006	5,385,904+	135,102
Other assets	670,118	602,698+	67,420
Moun. loans	7,000,828	8,826,627—	1,825,799
Total	$81,103,160	$91,680,038—	$10,576,878
Total assets	$125,386,764	$128,376,612—	$ 2,989,848
LIABILITIES TO PUBLIC			
Circula'n	$9,851,139	$12,470,991—	$2,619,852
Dem. dep.	20,091,430	17,327,386+	2,764,044
Savings	78,341,272	81,797,625—	3,456,353
Due banks	543,003	586,103—	43,100
Due else	504,042	144,952+	359,090
Acceptances	100,700	97,716+	2,984
	$109,431,586	$112,424,773—	$2,993,187
TO SHAREHOLDERS			
Capital	$7,000,000	$7,000,000	$........
Reserve	7,500,000	7,500,000	....
Dividends	280,000	280,000	....
Balance	1,175,178	1,171,839+	3,339
	$15,955,178	$15,951,839+	$ 3,339
Total liab.	$125,386,764	$128,376,612—	$2,989,848

TARIFF HITS WOOL HARDER THAN COTTON

(Continued from page 1)

difficult to enforce effectually the law that called for duty to be estimated on a valuation of foreign currency at a depreciation of not more than one-half the normal. This of course, would not cover the pound sterling at any time, but it did the franc for awhile, and almost does now: mainly, however, it hit the German mark and Austrian kronen. The former has been ranging around 1/3 of a cent instead of the normal 23.8 cents, but according to the Act the mark could not be valued at less than 11.9 cents. Thus duty on an article that cost 10,000 marks in Germany had to be paid on $1,190, in place of about $35. On a duty of 30 per cent. the amount payable would be $357 on a 10,000 mark article under the special customs Act. Under the new Fielding tariff the duty would be only on the $35 valuation, or $10.50.

Duty to $10.50 Instead of $357

Under the late regulation the importer paid $35 for the article in terms of Canadian money, but paid duty of $357: under the new tariff he would still, of course, pay the $35, the amount of Canadian money equivalent to 10,000 marks, but his duty would be assessed only on the current value of the mark, that is he would pay $10.50. The duty under the expiring tariff thus would be over 30 times the new duty, and 10 times the real cost of the article. This interpretation, naturally, made importation of German goods under a high duty practically impossible—if they entered as German goods.

100 Per Cent. in United States

In the United States, on the other hand, duty is figured not on the current value of the mark, but on its normal value, 100 per cent., making the duty not $357 as in Canada, but double that, $714.

Helps German Imports

The effect of the new regulation, then, gives a very material preference to the importation of German goods, which can now come in direct, and, incidentally where the lines are rival ones, is relatively unfavorable to similar importations of English or French goods. The regulation would appear, also to open the way to what is considered practical "dumping" on this market of German steel goods, electric knitted, and other lines.

Hitting Sugar Beet Industry

The action in connection with the sugar refineries is a little difficult to understand—from the Fielding point of view. So far from encouraging the sugar beet industry—which has been developing in Western Ontario—it appears to administer a heavy blow in the special tax of 49c per 100 lbs. on beet sugar.

This will remove the differential that now exists between cane and beet sugar; indeed it runs much less, on an average, than ½ cent per lb. About 90 per cent. of the sugar made in Canada is cane sugar for which most of the raws are imported from the British West Indies owing to the advantage of the preferential tariff, as against Cuban raws for instance. The new tax on beet sugar is supposed to equalize the cane sugar refining for the tax it pays on raw (cane) sugar—and affects the only beet sugar refinery in Canada the Dominion Sugar Co. with headquarters at Wallaceburg. The tax, however, can hardly be considered as conducive to the growing of sugar beets by Wester Ontario farmers.

The reduction in the duty on refined sugar—in being limited to the preferential list—does not include the United States, the only country from which Canada might be disposed to impart refined sugar: hence it looks innocuous.

The Sterling Bank of Canada reports the following staff changes: C. T. Porter, of the Orangeville branch, appointed manager at Alton; W. White of Church St., Toronto branch, transferred to Port Credit as teller; M. Windross, appointed accountant at Fort Erie; L. H. Gould of Fort Erie, appointed accountant at St. Catharines; W. W. Parslow of Port Credit, transferred to Fort Erie as teller; E. E. Corbett, teller at the Adelaide St., Toronto branch, and O. Bishopric of Toronto office, have exchanged places; W. L. Hickling, accountant at Uxbridge, transferred to Toronto office.

EXCHANGE RATE DEPENDS ON WHERE DEBT IS PAYABLE

Some Interesting Points in Regard to Basis of Settlement.

By A. B. BARKER,
Manager Toronto Clearing House.

Regarding purchases from American dealers on credit the question often comes up as to whether the amount is payable in American or Canadian funds, and a recent case in the court of King's Bench, Saskatchewan, hinged on this. It is simply another phase of the question of where a debt is payable. The general principle in this is that in the absence of any specific understanding the debt is payable where it is contracted and the expense of transmitting the funds will therefore fall on the debtor. With transactions in the same country this is merely a matter of exchange or commission on the cheque which at the most will not submit to more than an eighth or a quarter of one per cent. and therefore the question is seldom raised. There is, however, a general disposition when remitting to a creditor in another town to send a cheque for the face amount of the debt only, leaving the creditor to arrange for an expense of collection of the cheque. At one time this was the cause of a good deal of friction but competition seems to have settled this largely along the lines of least resistance. The expense must be paid by someone and in all probability it is merely allowed for the price quoted.

With transactions across the border two different currencies are involved. These currencies are entirely different though the names of the units are similar dollars and cents. If the units of one were francs, lire or pounds, shillings and pence and of the other dollars and cents the question of which currency was meant could not arise. If the unit of American currency were francs for instance there would be no question as to whether the price quoted in terms of that unit was payable in American funds or not and the Canadian debtor would arrange accordingly.

Similarity in Currency

When the names of the units of the two currencies are similar there is a tendency to overlook the fact that the currencies are alike only in name, and this tendency is more pronounced when there is a possible profit to be made from this interpretation. This was particularly true when the American funds were at a high premium in this country.

The Bills of Exchange Act states that "where a bill is drawn out of but payable in Canada, and the sum payable is not expressed in the currency of Canada, the amount shall, in the absence of some express stipulation, be calculated according to the rate of exchange for sight drafts at the place of payment on the day the bill is payable."

The decision of the Saskatchewan Court makes it clear that this applies not only to bills of exchange, payment of which as been agreed to by the obligant, but to debts represented by open accounts. The decision in question reads as follows: "The only question between the parties is whether payment shall be made in Canadian dollars or in United States dollars. The principle I deduce from the cases is that, under a contract such as this one, where a payment originating in one country is to be made in another country, and the currency denomination specified is that of the country in which the payment is to be made, although it may be also the currency denomination of the country in which the payment made in the currency of the country where the money is payable, unless by express terms or necessary implication payment in some other currency is required, and the rate of exchange between the two countries must be taken as at the date on which the payment should have been made."

Washington advice says fleet of 23 vessels, renamed for presidents of United States, cost $130,554,297 to build. Costliest ship was President Jefferson, formerly Beaver State, at $7,317,318. Lowest price paid for one vessel, Old North State, now President Van Buren, was $4,084,695.

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TORONTO, MAY 26, 1922.

THE BIG THING IS TO GET THE MONEY

MEMBERS OF the Toronto Board of Trade were greatly impressed last week on their visit to the Niagara Peninsula with two great undertakings in concrete—the Welland Canal and the Chippawa power development. Many of them were seemingly carried away with the very immensity of things. One awe-struck visitor was heard to remark: "We are viewing the greatest undertaking of its kind in the world," as he gazed at the Chippawa power plant—and that seemed to satisfy him. Another was heard to ask. "How could they tell how much this would cost?"—and he seemed to think that cleared the engineers and the commission for their misleading estimates.

But there were others who were figuring on the realities of these projects. Who were considering the huge sums being expended and wondering if they would be justified. Are the people of Canada warranted at this time in spending millions on huge locks which can be justified from a business standpoint only when ocean-going vessels can be brought through them to carry down the wheat of Western Canada? Are the people of Ontario doing a wise thing in putting their millions into a power scheme which can only be justified when power can be supplied at a price lower than from other sources? Can the water be secured to operate the scheme when it is developed?

One of the engineers on the Welland Canal when asked regarding the engineering features of the great work replied that there were no big problems in engineering when steel and cement are used. It was just a case of multiplying units, he explained and added, "There is practically nothing we can't do from the engineering standpoint IF WE CAN GET THE MONEY!"

The Welland Canal project has been going ahead slowly during this period of high prices because the ultimate costs in relation to the benefits to be derived have been kept in view. Ottawa has been careful of the money chest. On the Chippawa project there has been no question of cost; estimates have been held in little respect; until Premier Drury took over the strings of the provincial money bag, Hydro took from it seemingly as it required.

A few visitors to these great undertakings may marvel at their vastness. The taxpayers of Ontario and Canada, however, will wisely wait for results upon which to pass their judgment.

WHY E. W. BEATTY IMPRESSED OTTAWA

THE APPEARANCE of E. W. Beatty, president of the Canadian Pacific Railway Co., before the Railway Rates Committee of Parliament, furnishes an admirable example in handling a case that might be followed with profit by many other corporations in this country. The statement of Mr. Beatty admittedly made a deep impression even on the most radical of the members. This was because it was not antagonistic in content nor in delivery, but on the contrary was frank, clearly reasoned, and moderate in tone. In addition it contained a merit that perhaps few looked for; it was not defensive but constructive. Mr. Beatty did not take the ground that he went to Ottawa to represent his company for the purpose of showing cause why the Crow's Nest Pass agreement should not go into effect again after a lapse of four years. He took no strong stand either way: but gave a convincing argument why another course, and one which he outlined in some detail, would be more beneficial not only to the company but the country at large, a reduction in basic commodities, impartially applied, with no special regard for sections, nor mileage areas. And over the whole proceedings the C. P. R. president cast that mantle of simple dignity that rests always with him.

It is a trite saying that he knew his subject. He has always given this impression even before he reached his present high office, when as chief counsel he represented its interests. He gave the impression that the entire knowledge, much of it technical, that the company possessed on the subject of freight rates in Canada, was in his keeping, and not only at his disposal but at that of the other side, or the whole public. For weeks before the case came up at Ottawa, Mr. Beatty was buried with his experts studying the problem from every angle until when he appeared as the first officer for this huge transportation system he was the master not only of his own case but to a great extent of his audience. He did not have to step aside after some generalities to make way for some technical official; after he had stated his case he was in a position to submit to any cross-examination that could be put to him, and he emerged with only a strengthening of the impression his original statement of his case had conveyed.

The public are just beginning to understand what qualities rested in E. W. Beatty, K. C., that prompted those shrewd directors of the C. P. R. to make him successor when the late president laid down the burdens of this office.

SUPPORT YOUR LOCAL NEWSPAPER

HAL B. DONLY retires this week after 43 years' service with the Simcoe Reformer—a rural weekly which he inherited from his father. He says he is very tired and needs a change. This must be the case. There is no more strenuous work than that of the conscientious journalist who directs his own publication. Such a paper wields great power in its field. Its readers depend upon it for sound leadership. Its editor has great responsibilities. The Reformer is one of the best examples of this type, and its influence went far beyond the confines of Norfolk County. In fact it has the second largest circulation in its class in the Dominion.

Mr. Donly's personal leadership has been marked by honesty, courage, common sense. He has been—men of this type always are—a great asset to his community, its business men and industries. We don't always give our local papers the moral support they deserve.

The Reformer promises to continue the good work. The new owner, P. G. Pearse, an experienced publisher, and his two sons will carry on. One of these, the editor, is a B. A. and will shortly complete a law course. A good training for a journalist.

CAPITALIZING THE "GET-RICH-QUICK" DESIRE

ON THE subject of "Protecting the Small Investor," an American writer points to one of the fundamental weaknesses of most plans for safe-guarding investors; that none of them will circumvent the natural desire of most people to "get rich quick." Every one who has looked very deeply into Blue Sky Laws knows that experience has shown that paternalistic legislation will not protect people from taking long chances with their money, if they see prospects of a near fortune on the horizon or the possibility of doubling their money in a few months.

The unscrupulous stock promoter capitalizes the "get rich quick" desires of the multitude. Only careful education by newspapers, bankers, lawyers, insurance agents, investment bankers and others of influence can succeed in convincing people that "slow and steady wins the race," in investing at least, that Victory bonds "will make more fortunes" than oil stocks.

Protection against fraud will safeguard much of the and one that is a proper field for legislation and governmental interference. Present laws are very extensive in their scope and one is tempted to wonder if stricter enforcement of legislation now on the statute books would not weed out some of the offerings being sold throughout the country. The new securities act of the Ontario Government, which will probably be put into force next year, aims in this direction of preventing fraud.

Protection against fraud will safe guard much of the money now lost by inexperienced investors—too often widows or aged people who cannot afford to lose. Continuous preaching of the gospel of carefulness by men of influence will do its part. But nothing except a few lessons from the book of experience will prevent speculators who ought know better, from taking a chance and getting their pocketbooks scorched once in a while.

EDITORIAL NOTES

DEMANDS ARE now being made for some financial statement as to the earnings of the Toronto Railway under the civic Transportation Commission. And some information about the outgo would also be interesting.

• • • •

MANY OF THE Toronto Board of Trade visitors to Chippawa last week were greatly impressed with the fact that it is the biggest thing of its kind in the world. But size is not always desirable—what about white elephants?

• • • •

TOMMY CHURCH, sometime mayor of Toronto, and now a federal law maker, brings before the Commons the question of investigating the cost of cigars. Every politician of the glad-hand type, is interested in this question of discriminating between what they smoke themselves and what they can with safety, pass off on the electorate.

• • • •

IS THE RAILWAY PROBLEM a big one? Consider these figures. The total capitalization of the manufacturing industry in Canada is $1,994,103,272. The total capitalization of Canadian railroads is $2,170,030,128. Salaries and wages in industry total $285,889,291; in railroading $290,510,518 annually. The profits of industry are an indeterminate figure but the net result of operating the railways was a loss of $73,563,353.

• • • •

CURIOSITY as to how the Ontario Government will meet the demand which emanated from the annual convention of the Great War Veterans Association for special banking and credit facilities is expressed by the Kitchener Record. The veterans want cheap loans to build houses and pay off mortgages. The Record points out that the difficulty of putting through class legislation like special loans for the farmers is that other sections of the community naturally demand similar advantages and concessions.

• • • •

TO REDUCE THE freight rates on certain specific commodities in Western Canada to the direct benefit of a comparatively few producers or to encourage general reductions throughout the whole country on those materials and products which will permit manufacturers to increase their operations, employ more labor and thereby increase the buying power of the people as well as reduce the prices at which products will be offered is the problem before the Railway Commission. There would seem to be but one answer on the basis of the greatest good to the greatest number.

• • • •

IN ITS ATTEMPTS to prove that there is no difference between the policies of the Farmers party and the Liberal Party when the latter needs the support of the former to retain office at Ottawa and that there is all the difference in the world when the Farmers look for Liberal support on the same policies in Queens Park. The Toronto Globe is making a pitiable ass of itself. Intelligent people are getting sick of the political press which can see no good in any legislation which is not put on the statute books by its own particular party. It is necessary to consider policies and not politics in solving the real issues.

Mr. Edison and the Gold Standard

By H. MICHELL.
Professor of Political Economy in McMaster University.

All the world acclaims Mr. Edison as a great scientist. As the saying is, he has probably forgotten more about electricity than most of our electricians ever knew. But because Mr. Edison is a renowned man of science, it does not necessarily follow that he is a great economist; any more than it follows that because Mr. Henry Ford is a marvellously successful maker of motor cars, his ideas on other subjects are necessarily sound.

What is bothering both of these very famous gentlemen is the gold standard. That is hardly to be wondered at, because it is at present bothering a lot of people. And so Mr. Ford wants to embark on his latest idea, the turning of the great hydro-electric plant at Muscle Shoals into an engine for the inflation of the currency; and Mr. Edison has, from the depths of his inner consciousness, formulated a set of questions which he has sent to the economists of the United States for them to try their teeth on. Which they have done, with quite disconcerting results for Mr. Edison. Indeed, one distinguished Professor of what has been libellously termed "The Dismal Science," in an American University, replied with such force and asperity that his Board of Governors reproved him, and told him not to be rude to the distinguished scientist. The questions are interesting and well repay careful study, but are so numerous and lengthy that we cannot attempt to tackle them all in a short article. We may, however, select two as typical, and try to answer them, being very careful to be polite to Mr. Edison, or unhappy consequences may perhaps follow for us as well. Here is one of them: "If the United States Government were to build fireproof concrete sectional warehouses at desirable points, using therefor money received from taxation, and should receive, grade and store, for stated periods of time (say one year), selected necessities of life, issue a certificate of receipt for same, and should enact a law that the United States District Treasury or the Federal Reserve Bank might issue 50 per cent. of the market value of these commodities in money (such market value being based on the average selling price over a period of 25 years, and so endorsed on the certificate) would this money so issued, be sound money? If not sound money, give your reason."

How Inflation Occurs

The answer we would give to this is, yes, it would be sound enough, but the whole problem centres around whether or not this currency would be retired when the goods are disposed of. As a matter of fact, Mr. Edison's proposal is really no different from the practice of banks lending on warehouse certificates, which is a perfectly sound and legitimate banking practice. But, and here comes the whole point, when the goods are moved out and sold, the loan is repaid to the bank. What Mr. Edison cannot apparently see, is that the use of the currency, just like the use of the bank loan, is to move the goods, put them on the market and so dispose of them. If I have produced something worth say, fifty dollars, and the government issues that sum in Dominion notes, and then I sell that article, perhaps to a foreign buyer, for fifty dollars, then the original article has produced not its real value of fifty dollars, but one hundred—fifty in government currency and fifty that is paid me by the buyers, a clear inflation of value. But if after selling the article the new currency is retired, then there is no inflation; the article has fetched exactly its worth. This is the kernel of the whole problem, and what our inflationist friends never can, or will, understand.

Savings Are Real Wealth

Here is another question: "Assuming that the United States Government still owned many square miles of territory which, if irrigated, would be worth many times as much money per acre as land subject to the vicissitudes of climate, and should build a dam and reservoir for power and irrigation, leasing the land on rental and contracting out the power, and should issue currency to build the dam and ditches, and construct the power station, would this currency be sound money? It is backed by actual value which continues forever. Would it not have a value as great as the $100,000,000 of first mortgage bonds of the Union Pacific Railway, the property of which is far less permanent, bringing a lower income, leaving out of consideration the danger which all such projects contain of being abused, by legislative action in times of financial peril?"

This is a more subtle question than the first, and must be considered carefully. As a matter of fact, it contains the same fundamental fallacy as the first, it is a matter of sheer inflation. Suppose the government issued the hundred millions, and all went well with the scheme, and in a short space of time the land was worth, say, that amount, and was earning very substantial dividends, then the wealth of the country would have been increased by the original hundred millions of currency, plus the next hundred millions, the worth of the land plus the dividends it was earning every year. And so we are back again at where we were in the first place. The case of the Union Pacific bonds has been introduced merely to confuse the issue. It all turns on the fact that those bonds were not floated by the government issuing newspaper money. They were bought by people out of their savings. Perhaps many of them borrowed from the banks to pay for them; if they did the loans were repaid and the additional purchasing power created by the bank loan retired.

Sound Banking Theory

It is quite unnecessary to continue to labor the point; the fallacy underlying all these inflationist schemes is quite apparent. One of the favorite accusations levelled against the banks is that they "create" money. So they do, but they retire it again when it has done the work it was created for. On consideration it will be seen that the real function the banks do for the community is to give it the means to produce and move the goods which the community needs in its everyday life, or sells to foreign buyers. So long as the amount of "money," whether it be gold, or paper or bank credit, is sufficient, and no more than sufficient, to supply the needs of industry and commerce, so long do we escape inflation. If it be more than the community needs, then we have all the evils of inflation. If it be less than the community can use, then we have the opposite evil, too low prices and sluggishness of trade.

What every progressive nation must have is a thoroughly sound banking system, ready to give it the financial support necessary for its trade and commerce. If we have that, then we won't need to worry very much about the gold standard; it will take care of itself.

CURRENT OPINION

WHERE DRURY IS RIGHT
Hamilton Herald

At a conference in Toronto recently over the Toronto electrical situation, the question of the Drury government's attitude towards Hydro-radial construction—particularly as regards the Toronto-St. Catharines radial project—came up incidentally. Sir Adam Beck held it to be unnecessary to resubmit to the ratepayers the municipal by-laws authorizing this work. Premier Drury, on the other hand contended that the conditions were so much changed since the by-laws were ratified five or six years ago that it would not be right or fair to proceed with the construction of this road until the ratepayers had had another opportunity to pronounce upon the enterprise.

We think that Mr. Drury's position on this question is unassailable. It is true that conditions have radically changed since the Hamilton ratepayers voted on the Hydro radial by-law. Then, the ratepayers knew that the city's endorsement of the scheme would be guaranteed by the provincial government. Now they know it to be improbable that the credit of the province would be behind the municipalities on whose credit the money would have to be borrowed to build the lines. Then, the existing steam road with which the Hydro radial line would compete was the property of a private corporation and the other competitive steam road which had been projected would in prospect be owned and operated by another private corporation. Now, both the G.T.R. and the C.N.R. systems are merged in the National railway system, and the only competitors of the Hydro-radial line between Toronto and the Niagara frontier would be railways owned by the nation and operated for the public benefit only.

Surely these radial changes in the situation since the ratepayers ratified the Hydro-radial bylaws are important enough to make it imperative that the ratepayers be again consulted before their property is mortgaged to provide funds for building the projected Hydro-radial trunk line.

PERSONALS

ALEXANDER HUNTLEY DUFF, K.C., a prominent member of the Montreal Bar, an active politician on the Liberal side, and a director in a number of commercial corporations, died suddenly at the age of 42, within 24 hours after he had played a game of golf on the Kanawaki course. The late Mr. Duff was born in Montreal on April 16, 1878, the son of J. M. M. Duff, chartered accountant of Montreal. He received his education at the Montreal High School and later at St. Leonards-on-Sea, England, and returned to study at McGill University where he graduated with the degree of B.A. with first rank honors in mental and moral philosophy. He gained the MacDonald travelling scholarship at McGill, and going over to France completed his legal education at l'Ecole de Droit, Paris. In 1902 he was admitted as a member of the Montreal Bar. From that time he practiced in Montreal. Mr. Duff was a director of various corporations including the West India Electric Co., Jamaica Light and Power Co. Ltd., Canadian Crude Asbestos and Fibre Corporation Ltd., Asbestos Crude and Fibre Mining Corporation, Ltd., and Meyer-Thomas Co., Ltd.

JAMES W. SEWALL, forest and timber expert, with office at Washington, D.C., reports that while business in his line is still quiet he is satisfied that conditions are very steadily improving. Some lands and timber are now being optioned with view to purchase and operation. This is decidedly different from last year at this time, when the market was decidedly quiescent.

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Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

WAYAGAMACK BONDS

D. P., Toronto.—I notice Wayagamack bonds 8 per cent. advertised at $77.50. Are these bonds a first mortgage over all the plant, etc.? Do you think this company over a number of years has good prospects and will prove reliable? Is the management good?

6% bonds of the Wayagamack Pulp and Paper Company constitute a first mortgage on the property of the company valued at somewhat over $12,000,000 or two and a half times the amount of bonds outstanding including this issue. Over a number of years we do consider that the Wayagamack Company should meet with a good measure of prosperity and the bonds are a good investment. However, you must not rank them with Government and Municipal bonds or even with stronger industrial bonds that are outstanding. Industrial bonds even of the best corporations must be ranked below the better municipal bond issues because the latter have a promise to pay of organized people and have the taxing power of those people as security if they are legally issued.

JOHN MORROW SCREW

Reader, Craik.—I hold bonds of the John Morrow Screw and Nail Co., of Ingersoll, to the value of $2,500, and would like some information regarding the financial condition of the company. These bonds were purchased at $97.50 and are now quoted from $78.00 to $80.00. Please let me know if you consider it would be wise for me to hold bonds, or to dispose of same and invest in war bonds or other similar securities.

John Morrow Screw and Nut Company suffered severely in the price decline due to the heavy inventories it was carrying when the steel markets collapsed. At the present time it has its inventories down to replacement values though stocks are too heavy but is suffering most acutely from what amounts practically to "dumping" by American manufacturers of goods on the Canadian markets below cost of production. Changes have been made in the management and there has been some selling of the bonds. All of these factors helping to start rumors concerning the company's position.

This would not be the time to sell the bonds in our opinion as the company has weathered the worst of the business storm and with its established reputation to serve it should be able to get back to prosperity as general business conditions improve. A policy of expansion has been entered into and the bonds should advance in value from now on.

STEAMSHIP PREFERRED

S., Detroit.—Your recent articles on the affairs of Canada Steamship Lines are much appreciated as I have 35 shares preferred purchased in the '70's.

Can you put me in touch with the committee which I understand was formed some time ago to look after the preferred and minority stockholders' interests?

From the long pull standpoint do you recommend preferred holders, to average now at around 50—provided, of course, that one is not already too heavily involved in proportion to other holdings. I could double up easily without feeling I had too many eggs in one basket—but hesitate still through not being familiar with recent developments.

So far as a committee of shareholders is concerned there was one being formed one year ago but so far as we could learn no further steps were taken this year to organize, something that was rather a surprise to us inasmuch as conditions seemed to warrant a shareholders' committee much more this year than last year. However, the campaign in THE FINANCIAL POST would seem to have secured most of the reforms which have been demanded.

It is a little difficult to advise you in regard to averaging up for a long hold but if the management, as we hope it will be, is thoroughly re-organized, and a strict rein kept on the financial end, we are hopeful that the company will gradually pull itself out of its rather weak financial position and that the earnings in the passenger department and Upper Lakes freight will prove a steady source of income holding up well as compared with the earnings of the past few years. We understand that an arrangement was made with the bond houses that underwrote the issue that the preferred dividends would not be paid until they had been earned. Last year, as the financial statement shows, the preferred dividend was just earned, and we anticipate that it will be this year if there are no heavy losses on the ocean tonnage such as there were last year. We have great faith in the future of this company under proper management and we believe that for a long hold there should be a considerable increase in to-day's market value of the stock. We never like to advise any one to invest the greater part of his available funds in any one security, of course, but as this would not be the case with you it might be advisable for you to average up on your investment in Canada Steamships preferred.

AMES, HOLDEN PREFERRED

P., North Battleford, Sask.—Kindly inform us what is your opinion of the stock of Ames-Holden-McCready as a speculative investment at the present price. Can you supply us with a copy of the last financial statement of this concern?

We could not advise you to invest in this security at the present time. During the past year the company lost considerably over $1,000,000 on their boot and shoe operations, and were so hard pressed for working capital that they were forced to default on the interest on the first mortgage bonds due on the first of April. At the present time a committee of bond holders and creditors is trying to work out some plan to re-organize the company and make some arrangement by which a bond issue can be offered and about $1,500,000 of cash secured to enable the company to go on and manufacture goods for the fall season. It may mean that there will have to be a reduction in the amount of common stock outstanding and possibly preferred stock but no one knows at the present time. If you can judge by the stock market quotations the prospects at present for the preferred shareholders cannot be considered bright as the stock is selling around $10 a share and not very strong at that. We would suggest that you await a report of this committee at least and then you would be in a better position to decide whether to take the risk of purchasing this preferred stock. The company had a very difficult time during the past two years with the boot and shoe industry that has suffered worse perhaps than any other except the sugar industry. We are sending herewith copy of the last annual report of the company as requested.

VOLCANIC OIL

Reader, Mitchell—Will you kindly give me a report regarding the Volcanic Oil and Gas Company of Niagara Falls.

The Volcanic Oil and Gas Company of Niagara Falls, Ont., is the holding company for the Union Natural Gas Company. At the present time there is little movement in the stock as it is largely held by the officers of the company but in one or two small sales within the past two weeks, the price paid was about $75 a share. During 1921, there was distributed to shareholders dividends amounting to 8 per cent. For the current year the rate paid has been ¾ of 1 per cent. a month. This company would seem to be a very fair speculation at the present time.

B. C. FISHING

C. P. Saskatchewan.—Would appreciate your opinion on B. C. Fishing capital stock around 27 to 28.

In the annual report for the past year of the British Columbia Fishing and Packing Company, it was pointed out that in view of the prices prevailing for all materials used together with the severe decline in the prices for the product, profits were about eliminated. The regular 6 per cent. dividend in the last half of the year was discontinued. At the present time the market price is about 27 and in our estimation is a fair speculation for a hold especially if a better pack is made this year. This stock has enjoyed a considerable advance with the general improvement in the market this year but has sold off somewhat recently.

BOND MARKET

Reader, Toronto.—What do you think will happen the bond market before the year is out?

Before the close of the present year there should be some strengthening in the Canadian bond market. Bonds in this country are not selling on the same high level as in New York and this will have a tendency to attra the larger Canadian issues to those markets, leaving a smaller quantity of securities to be digested on the Canadian market. Industrial bonds particularly of the stronger companies should increase in value during the next twelve months.

VICTORY GOLD MINE

R. A., Quebec—Would like your opinion of the Victory Mines. Is it a good gamble? Have they found anything of value in their development yet?

The Victory Gold Mine is still in the very early stages of development. There are 14 acres of property owned or leased and exploration has been carried on for some three months now. The stock rarely appears on the market and the last scale of stock was at 25 cents per share. There is no confirmation to the rumours that they are negotiating with the Ophir. Until the mine has definitely proved its worth, in our estimation it must be considered as a pure speculation.

KANNADDA BISCUIT

J. P., Hamilton—Would appreciate your opinion of the Kannadda Biscuit Company as to future chance of success. They claim they are going to manufacture English biscuits at Canadian prices.

The Kannadda Biscuit Companp is a new promotion backed by men of experience in the biscuit making industry. A site of about nine acres of ground in a very desirable location in Hamilton has been acquired but we are not aware of the terms. No contracts have as yet been let, we understand, but an official of the company states that an industrial engineer of high reputation and good standing, who is now in the Old Country, will look over some of the modern biscuit factories with a view to modelling the Hamilton factory after the best of these.

The project is as yet in the promotion stage and not sufficient capital has been secured to go ahead. Efforts are now being made to secure further capital and an endeavor is being made to interest as many grocers and confectioners as possible so as to open a market for the company's lines. It is hoped that capital will be in sight to commence building operations about July 1st.

Opinions in the trade are that the biscuit manufacturing field is pretty well covered in Ontario but there would seem to be no reason why a new venture along the lines indicated, and properly managed, should not succeed. The idea of getting retailers to buy stock is sound although some experiences in this regard have not been very satisfactory.

Why Should The Farmers Have Special Banking Facilities?

Some of the Arguments in Favor of the Land Bank system Being Tried in the United States—Points Raised in an Agitation Which Must Be Carefully Considered

By AGNES C. LAUT.

Following is one of three articles written by Miss Laut which explains from the standpoint of the man on the land the agitation for better banking facilities for the agriculturalist. THE FINANCIAL POST prints these articles not with the idea that the contentions of those who would experiment with our banking system are sound or justified but to show to the financial community the roots of dissatisfaction from which the agitation for increased farm banking facilities is growing—an agitation which, in view of the strong agricultural representation at Ottawa, must be considered in relation to the periodical revision of the Canadian Bank Act next year.—Editor.

It is not even remotely hinting that Canada's banks are in sorer stress than the banks in every other centre of the civilized world to acknowledge frankly that the watchword of every financier on earth to-day is—"Watch your step! Go carefully! Don't call credits, but don't expand till the wheels begin going round again." When one big bank in the United States lays off five hundred clerks, it does not mean that bank is in danger of failing. It means it is going carefully so it will not fail till Europe is back on the map again as a buyer and seller of goods, and that bank's frozen credits in Europe thaw out. Until they thaw out, it can't expand; and while it is marking time, it is cutting overhead costs.

In the United States, agitation for unsound banking systems has practically ceased because the need for easier banking facilities has been removed. In Canada, in at least four provinces there is pressure for unsound banking experiments because the need for easier rural credits still exists; and the way to remove bad experiments is to remove the cause for them, not to run bull-headed into a denial for their need.

All this is apropos of the last report out on the Federal Land Banks of the United States, which have now been under fire for six of the most trying years in American finance and American agriculture, and have come through sounder than the old rock-bottom institutions. Federal Land Bank bonds are on the market to-day at 102 to 104, though they bear only 5 and 5½%, where the other best bonds are at 93 to 99, and the best bankers look to see Federal Land Bank bonds touch 120 to 140 in a few years. I said "on the market." They are not "in the market." They are snapped up so quickly by the best class of buyers, that they hardly ever see them quoted and never advertised, and absolutely never peddled.

But when the Federal Land Bank system was launched in 1916, there was no line on which it was not attacked.

Why should farmers have special banking facilities?

Why should the government launch a scheme in competition with the old line private trust and loan land companies?

Why, above all, should the farmers' Land Bank bonds be exempt from municipal, state and federal taxation?

These suggestions were all answered by a Congressional Committee that investigated need and methods before the system was launched in 1916. The Commission especially investigated Germany's system, which had put the agriculture of Germany on the most prosperous basis of any agriculture in the world; and Germany has some of the most miserable agricultural soils in the world—so poor that only the cultivation of beet sugar and the return of the pulp in manure and the abundant use of fertilizers produce any crop at all; but under such treatment that soil returns the highest averages in the world, whether of potatoes, or cereals; in proof of which consult the International Agricultural Reports.

Also, through all the fearful stress of the war and after-war, the German land banks' bonds bearing only 3½ and 4% stand at 96 to 111 compared to other German Government Bonds at 61 to 86. That is a pretty good proof of their financial rock-bottom soundness in a tottering financial world.

Also please note—Germany is the only country in the civilized world to day, where the land holder is the essential aristocrat and plutocrat, because he has his feet on solid ground. France and Belgium come close in the same class; but in France and Belgium, the land holder is a small holder—a peasant class living on small thrifty returns from small areas, where the German farmer is the backbone of power and wealth. In America, the farmer must always be a holder of large areas because of machine power which is cheaper for a large area than a small one.

In the United States, farm earnings for 1919-20 and 21 averaged $460 per farmer to the $1,680 averaged by all rail workers; so the farmer in America can hardly be regarded as either a plutocrat, or an aristocrat, though it is on his back manufacturers and transportation rest for profits both for the farm seller

(Continued on page 15)

A DISGRUNTLED STOCKHOLDER

Of course it is impossible to please everybody, and the head of any large industrial concern, which has big earnings and surplus, but is conservative in the matter of dividends, is accustomed to receive communications from stockholders apprising him of their dissatisfaction.

The head of one well-known concern, the stock of which is closely held, tells the story of how he once gave 100 shares of the stock to a person as a birthday gift.

About a year later, he opened a letter which proved to be an indictment of the management of the company, from president down, for not being more generous to its stockholders. He was not greatly surprised, although this letter was a little more heated than others he had received, until he read the signature at the foot of the letter, which was that of the person to whom he had given the 100 shares!—Wall Street Journal.

CHECKING UP

A colored boy walked into a local drug store and asked permission to use the telephone; then he called up Mr. Jones, and the following conversation took place:

"Is this you, Mistah Jones?"

"Yes."

"Well, Mistah Jones, I saw yo' ad in de paper the other day and yo' wanted a colored boy. Did you get one?"

"Yes."

"Is he givin' perfect satisfaction?"

"Yes, he's giving perfect satisfaction."

"Well, Mistah Jones, providin' this colored boy don't give perfect satisfaction, you call me at 504."

The colored boy turned and started out, and the druggist, who had overheard remarked: "You didn't do any good, did you?"

"Yes, sah," came the reply. "I's dat colored boy what's working down there. I's jest checking up to see how I stand."—Forbes Magazine.

During the past two and a half years the Kirk Gold Mines Company have been developing three properties, the Bass Lake, Havilah and the Kirkland Lake properties.

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Average earnings for the past four years have been equivalent to more than three times the interest requirements on this issue.

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Ottawa Light, Heat & Power Co. 6½'s, Oct. 1, 1940
Ottawa Light, Heat & Power Co. 8's, Oct. 1, 1940
Bell Telephone Company of Canada 5's, April 1, 1925
Bell Telephone Company of Canada 7's, April 1, 1925
Maritime Telegraph & Telephone Co. 7's, Dec. 1, 1945

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NEWS OF THE BOND MARKET

BORROW $900,000 TO BUILD ELECTRIC SUPPLY SYSTEM

St. John City Enters Field of Hydro Electric Power Distribution.

The City of St. John, New Brunswick will shortly borrow $900,000 to establish an electrical power distributing system in that city.

From 10,000,000 to 15,000,000 of hydro electric power will be purchased from the New Brunswick Power Commission at a cost of about 1.2 cents per c. w. h. The power distribution will be in charge of a civic commission which has been appointed by the city and will have entire charge of the construction and financing of the system as well as its operation after completion.

It is estimated that the cost of the system will be $900,000 and approval has been given by the city council of St. John to a proposal to spend this sum of money for the construction of the system.

Canada Flour Mills $150,000 Bond Issue

Joint offering is being made by McParland, Barrett and Co. and Rice, Gibson and Co. of $150,000 of 6½ per cent. twenty year first mortgage bonds of the Canadian Flour Mills Co. Ltd., of Chatham. The bonds are being offered at 94.50 to yield over 7 per cent.

The issue constitutes a direct obligation on assets valued at $607,604 or over four times the total amount of bonds outstanding. Earnings for the six months ended February 28 last were at the rate of eight times the bond interest.

The mortgage is a closed one and there is a sinking fund feature to issue.

Chicago House Offers Vancouver Lumber Bonds

A block of $1,250,000, 7½ per cent. 15-year first mortgage sinking fund bonds of the Vancouver Associated Lumber interests, Vancouver, is being offered by Peabody, Houghteling & Co., of Chicago, Ill. The bonds are the joint and several obligations of the Vancouver Lumber Co., Vancouver Cedar Mills, Ltd., and the Mainland Timber Co., and are secured by a first mortgage on the properties of these companies and those of the Mainland Cedar Co.

A conservative valuation of these properties covered by first mortgage securing this closed issue of bonds, is $3,790,000 or more than three times the total issue.

According to the auditor's report for the six past years ending December 31, 1921, there was available to meet interest charges, depletion of timber resources and depreciation of plant, the sum of $1,365,225 or an average of $227,537 per annum. The maximum interest charges on these bonds is $93,750.

CALGARY'S REFUNDING

Calgary recently completed through Wood, Gundy & Co. some re-financing, by which $320,000 of Calgary bonds held in London were purchased for $255,000, representing an annual saving of $4,451 to the city during the life of these bonds.

Bonds and Bootleggers

"Put ye in the sickle, for the harvest is ripe."

"Landed a $22,000 order for bonds on Saturday," remarked the bond dealer, radiant smiles of satisfaction on his face.

Now $22,000 orders for bonds are not so common that they are taken as a matter of course. Usually on an order of that size a bond house has to shave its price to the absolute minimum, but the bond man gave assurance that he made his full profit on this deal.

"I sold them to a bootlegger on the Essex frontier," he explained. "The bootleggers and rum runners are the richest people in the country to-day."

Here evidently is a bootlegger who is salting away his wealth for the time when the harvest season will be over. But all bootleggers and rum runners are not convinced that their era of prosperity will be of short duration. Some of them are making their plans for an extended occupancy of their positions of affluence. Witness the action of the "king of the rum runners" in one border community who offered his regular business for sale. His advertisement was laconic. It read:

"Owing to the Pressure of Other Duties, My Garage is For Sale."

"The pressure of other duties" is good, as Ring W. Lardner would say.

Investment Stories From Real Life

The Story Of A Doctor Who Wanted His Investments To Look After Themselves --- Forsook Mortgages For Bonds

When Dr. Henry Bartlon tacked his brass sign on the front door of his home in Bellecity his measure of ambition was full and his bank account was small. But Dr. Bartlon was a good doctor and it was not long before people knew him as the best of the younger physicians in this small Ontario city and his practice grew. The bank account so small at first, also grew. It was Mrs. Bartlon who was not only thrifty but capable who first called attention to the fact that there was $3,200 in the account drawing 3 per cent. interest when it might be loaned out on mortgage to bring in 6 per cent.

"That's right, my dear," agreed the doctor. "You are indeed the financier in this family. And it just reminds me that Bill Hurst was asking me the other day where he could get a mortgage on his farm. It's the best farm in Lancashire township. I'll just drive over in the morning and see if I can fix up a deal."

The following morning Dr. Bartlon spent in going to see farmer Hurst. The deal for the mortgage was arranged on the spot and after a few days of quibbling between the lawyers he had a good, sound investment bringing him in 6 per cent. and farmer Hurst was satisfied with "Doc" Bartlon alright. When Abner Ball, the farmer on the next 100 acres wanted a mortgage on his place Hurst sent him to Doctor Bartlon. And thus it came about that Doctor Bartlon had in the course of a few years, over $9,000 divided into eight mortgages on neighboring farms and he was beginning to consider himself a minor capitalist.

His practice was growing and he was taking in around $4,000 a year out of which it was no task to save $2,000 to put into mortgages. He did not want to work all his life. It was pleasant to have visions of retiring at about 50 and taking a trip around the world. He always wanted to see England; Mrs. Bartlon had her eyes across the Pacific on Japan. But the growing practice that brought him an increasing amount of money for investment was also curtailing the amount of time he could devote to anything but the curing of his sick patients. He found himself letting his money accumulate in the bank and once he was surprised to find that the interest that was due on one of his mortgages was six weeks late in coming in. This came as something of a shock for it showed that he had not been giving his investments the attention they needed. Mrs. Bartlon tried to look after them but she had the children now, moreover she could hardly drive around to the various farms to see that everything was in order.

Dr. Bartlon began to worry. Looking after the biggest medical practice in his part of the city and keeping watch on his investments at the same time was beyond his ability. He had reached the stage in life that so many men reach when they have to concentrate on their own business—whether it be doctoring or manufacturing or selling over the counter—and must be freed from some of his responsibilities as far as possible. He had been making good investments, investments that combined inherent safety and good return, but which lacked another fundamental equally important in his case—freedom from cares of management.

It was his banker who first told Dr. Bartlon what was wrong. He took the doctor into his office, and talked to him in heart to heart fashion.

"I am going to give you a prescription, doctor." he smiled. "I can not make you take it any more than you could make me take Russian Oil or Dover's powders if I did not want to. but if you are wise you will take it. I am going to prescribe bonds for you. And I am going to put you on a diet. No more 'mortgages' for you.

"Deposit your fees in the bank. Draw out what you need for your ordinary expenses and when you get $3,000 or $4,000 buy bonds. Always keep about $1,000 on deposit for your mortgages come due put the money in needs and invest the rest. When your bonds. It'll make a different man of you. You just cannot afford to buy mortgages. You have not the time to look after them."

Dr. Bartlon took his banker's advice. To-day he holds $60,000 of bonds. He is nearing middle age and has a practice worth about $6,000 a year. He is investing fully half of it every year. He is an outstanding example of a careful investor. He has never bought anything but a government and municipal bond and only the best of the municipals. He has aimed at one thing—to avoid any possible cause for worry or responsibility. He wants to concentrate entirely on his work. His wife is his investment bookkeeper. She keeps the records and deposits the coupons. All bonds are bought with coupons payable—so far as possible—on only four days of the year. Again the minimum of trouble rather than continuity of income has been sought.

Dr. Bartlon and his wife have all their bonds in the name of both "or survivor' and they are thus registered. In the event of the death of the doctor Mrs. Bartlon will own the bonds absolutely without any reference to the doctor's will. There can be no dispute on the part of any of his relatives. The obverse is also true. If Mrs. Bartlon dies the doctor becomes the owner of the bonds immediately.

Dr. Bartlon has gone about things well to pave the way for his trip around the world. He has been cautious and careful; more conservative in his outlook on investing perhaps than the average business man need be, but not more cautious than one in his position should be.

Although all of the stories in this series are true stories of the investment aims and methods of typical Canadian men, and the incidents are actual occurrences, the names have of course been changed and those given in the articles are entirely fictitious.

TRADE BOARD BONDS ARE BEING PAID OFF

Montreal Institution Surprises Members by Taking Up the Bonds That Are Maturing.

From Our Own Correspondent.

MONTREAL—An interesting bond issue is being retired this past week, the second mortgage group of the Board of Trade of this city amounting to $144,600. This fell due on May 15, and was the balance of an original issue of $250,000 which had been made on May 16, 1892. Since that time the surplus funds of the Board had been applied to buying in the bonds. This issue carried an interest rate of 5 per cent. and had been subscribed to at par. In addition the first mortgage bond which matures on December 1 next amounting to $230,000, will also be retired. This was the balance of an original issue made also in 1892 for $300,000, bearing interest at 4½ per cent. Of these $70,000 had been retired making a total of $175,400 that had been brought in mainly during the past ten to fifteen years.

The Board of Trade has arranged for a loan from the Sun Life Assurance Co., in order to take care of the refunding of both issues. These bonds were issued in order to complete the building but a good many of those who subscribed to them had an impression that they were making a subscription to the Board and were surprised when the interest carried by the coupons began to be met. Indeed a good many of the coupons have not yet been presented. When notices were sent out a short time ago that the bonds would be taken up as they matured, holders were even more surprised. A good many have urged the Board to make a new issue that they might hold it as an investment in case of the bonds now being retired but The FINANCIAL POST is informed that there is no such intention.

BOND MOVEMENTS OF THE WEEK

Latest Price Week Ending May 16.

	Int.	Due.		Range	1921.		Range 1922				
BONDS—	Rate.	Year.	Yield.	High	Low.	High.	Low.	Ask.	Bid.	High.	Low.
ASbestos	5	1942	6.34	100	73	100	76	84¼	—	84½	—
Bell Telephone	5	1925	6.13	93½	81¼	96½	94	—	93¾	96	—
Can. Car.	6	1939	6.26	98	97½	98⅛	95	100	98	97¼	—
Canada Bread	6	1941	6.30	90½	82	96½	88½	96½	95½	96½	96¼
Canada Cement	6	1929	6.47	95	89	98⅜	94	97½	96¾	97	—
Can. Cons. Rubber	6	1946	6.30	90	84	96	88	—	94½	96	—
Dominion Coal	5	1940	5.55	92⅜	86	95	92	—	91½	93½	—
Dominion Iron	5	1929	6.80	88	75	89½	82½	90	88	89	—
Dominion Textile	6	1925	6.80	98	92	99½	97¼	—	97¼	97¼	—
Lyall	6	1932	8.81	86	68	79	75	—	77½	79	—
Montreal, Sep. '23	6	1923	6.25	100	97¾	102	97½	—	99½	99½	—
Ontario Steel	6	1943	6.50	87½	87½	94	94	94	90	94	—
Quebec Railway	5	1939	8.00	68	59	72½	63½	72	71	72½	70½
Rio Janeiro	5	1935	6.60	84¼	78	85⅝	76	87	85	85½	—
Steel of Canada	6	1940	6.12	98½	88½	99	97	—	99	98¾	—
Sao Paulo	5	1929	7.52	82	70	85½	80	85	84½	85	—
Wayagamack	6	1951	7.72	78¼	69½	80	71¾	—	80	80	—
Winipeg Electric	5	1927	7.28	92	92	92	89	89	—	89	—
War Loan (1925)	5	1925	5.48	96.00	92.00	98.60	96.10	98.50	98.25	98.30	97.80
Do., (1931	5	1931	5.19	96.60	90.05	98.90	96.25	98.60	98.30	98.75	98.15
Do., (1937)	5	1937	5.00	102.50	94.50	101.50	99.50	100.10	100.05	100.00	99.75
Victory (1922)	5½	1922	5.60	99.55	96.62	100.10	99.10	99.95	99.90	99.92	99.60
Do., (1923)	5½	1923	5.53	99.50	95.50	100.10	98.75	100.10	99.95	99.95	99.60
Do., (1924)	5½	1924	5.70	98.50	94.25	100.75	98.00	99.70	99.50	99.60	99.20
Do., (1927)	5½	1927	5.32	101.00	95.25	102.70	99.75	101.00	100.75	100.90	100.60
Do., (1933)	5½	1933	5.15	101.80	95.12	103.90	101.25	103.05	103.00	103.90	102.75
Do., (1934)	5*	1934	5.40	99.43	92.25	101.45	98.80	100.90	100.85	101.00	100.60
Do., (1937)	5½	1937	5.02	104.00	96.50	106.55	103.30	105.35	105.25	106.25	105.00

We Own and Offer
Province of Ontario
6%
BONDS
DUE
1 December, 1935
2 May, 1936
1 February, 1941
15 September, 1943

Prices and full particulars on application.

R. C. MATTHEWS & CO.
LIMITED
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Victory Bonds
for
Safety
Assured Interest
Return and
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GOVERNMENT AND MUNICIPAL BONDS
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$67,000
Township of Toronto
6% Debentures
Due 15th Dec. 1922-1941.
Denominations $1,000 and odd amounts
Price 1922 - 1927 to yield 5.45%
1928 - 1933 to yield 5.40%
1934 - 1941 to yield 5.35%

ZIMMERMAN & MALLOCH
702 Bank of Hamilton Building
HAMILTON, ONTARIO

FOUNDED HB 1883

Profitable Investments

In our May Investment list we are offering high grade Government, Municipal, Public Utility and Industrial Bonds which combine sound security with a most remunerative yield of from

5.40% to 8%

These Bonds carry our recommendation as sound and profitable investments. List will be sent you on request without obligation.

Write us for descriptive circular.

HANSON BROS.
Investment Securities
160 St. James St. Montreal
63 Sparks St. Ottawa

We offer
Canada Steamship Lines, Limited
7%
20 Year First Mortgage Collateral Bonds

The volume of business conducted by the Canada Steamship Lines is indicated by its service between the vast grain-producing territory of the West and the Trans-Atlantic lines, and by its handling of Eastern manufacturers' freight for the West, plus a great amount of passenger traffic during the summer season.

The security is ample and the record of earnings sufficient to justify the complete confidence of investors.

Price: 97½ and Interest
Yield: 7¼%

Write for descriptive circular.

McLeod, Young, Weir & Co., Ltd.
23 Jordan St. TORONTO
40 Hospital St. MONTREAL

First Mortgage Bonds
With a bonus in common stock

Such an investment opportunity will be offered by us shortly redeemable and convertible sinking fund first mortgage gold bonds. The debentures are first lien on land, mills, machineries, patents of a large corporation being organized in Montreal, the direction of which is composed of men of outstanding prominence in the various spheres of business and finance.

The debentures will carry a substantial bonus in common stock.

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Government, Provincial and Municipal Bonds
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8% Cumulative Preference Shares with 75% Bonus
We recommend the purchase of the 8% Cumulative Preference Shares, with a bonus of 75% in Common in the
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71
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NEW YORK

A Winning Combination

Power and Gold

The gold areas of Northern Ontario are urgently demanding a far greater supply of electrical power than is at present available.

The precious metal is there in huge quantities, but the electrical energy to carry on development and allow for the increasing of milling facilities is lacking.

Given the required power, the output of gold, silver and other metals in the North Country should reach enormous figures.

Action has already been taken to augment the present power supply, the Matachewan Power Company, Limited, having announced that work has recently commenced towards the development of their concessions on the Montreal River, which have an estimated capacity of 12,000 H.P. This will provide the required energy for the opening up of the rich Matachewan Gold Camp, as well as supply the Gowganda Silver Area.

BUY POWER BONDS AND SELECTED GOLD ISSUES

F. C. Sutherland and Company
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INVESTMENT BROKERS
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L. R. STEEL SERVICE CORPORATION LIMITED
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CIVIC AND PROVINCIAL FINANCE

MUNICIPAL BONDS BRING HIGH BIDS IN WEEK'S ISSUES

Guelph, for Instance, Sells on a 5.38 Per Cent. Basis.

Windsor sold a large issue of $1,254,940 of bonds this week to R. C. Matthews and Co., A. Jarvis and Co. and McLeod, Young, Weir and Co. The bonds are in various blocks, all but $12,000 bearing interest at 5½ per cent. and having an average life of about twenty instalments. At the price received, 98.89 the cost to the city of the money was 5.60 per cent. The bids received were:

A Jarvis & Co., R. C. Matthews & Co., McLeod, Young, Weir & Company	98.89
Wood, Gundy & Co.	98.33
A. E. Ames & Co.	98.25

Guelph's Good Price

Guelph sold $38,852 of 5½ per cent. 20 year bonds to the Municipal Bankers Corporation at 101.51 a 5.38 per cent. basis. The tenders were:

Municipal Bankers Corp.	101.51
R. C. Matthews & Co.	101.45
Nesbitt, Thomson & Co.	101.11
Canada Bond Corp.	101.02
Wood, Gundy & Co.	100.94
Gairdner, Clarke & Co.	100.77
C. H. Burgess & Co.	100.62
Harris, Forbes & Co.	100.59
McLeod, Young, Weir & Co.	100.37
A. E. Ames & Co.	100.36
Dominion Securities Corp.	100.33
Royal Securities Corp.	100.259
MacNeill, Grahame & Co.	100.237
Dyment, Anderson & Co.	100.078
National City Co.	99.53
Wm. C. Brent & Co.	99.50

Another For Municipal Bankers

Township of Ancaster, Ontario, disposed of $40,000 of 5½ per cent. twenty year bonds to Municipal Bankers Corporation at 100.40. Tenders were:

A. E. Ames & Co.	100.19
Dyment, Anderson & Co.	99.85
Wood, Gundy & Co.	99.793
R. C. Matthews & Co.	99.69
C. H. Burgess & Co.	99.59
Gairdner, Clarke & Co.	99.53
McLeod, Young, Weir & Co.	99.15

Ames Buys Edmonton Schools

Edmonton school bonds to the amount of $175,000 were bought by A. E. Ames and Co. The bonds pay 5½ per cent. interest, are repayable in forty years and were bought at 94.16.

East Angus Bonds Sold

East Angus, P. Q. sold $110,000 of 6 per cent. 30 year bonds to McLeod, Young, Weir and Co. and Greenshield and Co. at 101.96. Bids were:

McLeod, Young, Weir & Co. and Greenshields & Co.	101.96
A. E. Ames & Co.	101.55
Nesbitt, Thomson & Co.	100.76

Two Issues to Jarvis Co.

Kitchener, Ontario, sold $392,225 of 6 per cent. 10 instalment bonds to A. Jarvis and Co. at 101.13, the cost to the city of the money being 5.75 per cent. Tenders received were:

A. Jarvis & Co.	101.13
Gairdner, Clarke & Co.	101.052
National City Co.	100.80
McLeod, Young, Weir & Co.	100.46
A. E. Ames & Co., and Wood, Gundy & Co.	100.29

Calgary school bonds totalling $280,000 went to A. Jarvis and Co. at 100.15. The bonds are 6 per cent. in 10 and 20 instalments payable in New York: Bids were:

A. Jarvis & Co.	100.15
W. Ross Alger & Co.	99.28
C. H. Burgess & Co.	99.12
A. E. Ames & Co.	99.07
McLeod, Young, Weir & Co.	98.87
Wood, Gundy & Co.	98.33
McKenzie & Kingman and Paine, Webber & Co.	*98.66
Brandon, Gordon & Waddell	*98.13
Miller & Co.	98.05
Niblock & Tull	97.14
Blythe, Witter & Co.	*93.50

*New York funds.

Bringing $100,000,000 Loan Funds to Canada

From Our Own Correspondent.

NEW YORK. — The unusual strength of the Canadian dollar in New York during the past week has been the result to a great extent of the transfer of investment funds from the United States to Canada. Local bankers understood to represent the Canadian Department of Finance have been steady sellers of New York funds for some time past and their efforts are generally believed here to be connected with the transfer to Canada of the proceeds of the recent Dominion $100,000,000 refunding loan.

While this transfer of investment funds is undoubtedly the greatest market factor at present, the unusual strength of the sterling market and the improved trade position of Canada are important influences.

Vernon's Bond Issue to Royal Financial Corp'n

From Our Own Correspondent.

VANCOUVER.—Vernon's $37,000 of 6 per cent. electric light debentures maturing in 1937 were awarded to the Royal Financial Corporation at 99.07. The bonds are payable in New York, London or Canada.

Tenders were as follows:

Royal Financial Corp	99.07
Pemberton & Son.	98.66
British American Bond Corp.	98.26
Royal Securities Corp.	98.00
Brent, Noxon & Co.	96
C. H. Burgess & Co.	95.78
Canadian Bond Co.	91.
Morris & Co., Portland	88.

BONDS OF $225,000 FOR PAINT COMPANY

From Our Own Correspondent.

MONTREAL.—A new bond issue was offered this week by the Sterling Bond Corporation in $225,000 first mortgage sinking fund gold bonds of McArthur, Irwin, Limited, manufacturers of paints, dyes, white lead and allied products. These bonds are dated May 1, 1922, and are due in twenty years, May 1, 1942. They are offered at par and accrued interest, thus giving a yield of 7 per cent. The issue is made to pay off a real estate mortgage, and bank loans, and to provide for expansion. The real estate, buildings, etc., are valued at over $450,000, and the working capital after this issue has been made will exceed $300,000, giving net assets of over $750,000. The sales of the Company for the past six years have averaged $1,590,922 per annum, and the earnings,—after depreciation and other charges,—available for interest for the past five years, have averaged $68,409, or over four times interest charges on this issue. Earnings for the first four months of the new fiscal year have exceeded a rate of $100,000 for the year.

Merchants Investigation Falls Through

(Continued from page 1)

of a number of experienced bank men inside the bank itself.

As to why the October return was the centre for investigation and trial: it is understood that this was taken because the view was in Government circles that this, according to investigations of Mr. Mackenzie, afterwards supported by the auditor, revealed assets held up $8,000,000 over and above what the report of these investigations showed. That is, it was felt that this return could be attacked for showing a "rest account" of over $9,000,000, instead of a little over $1,000,000. In the case of the return of April 30, 1921, it was estimated that this was incorrect to the extent of not revealing losses of some $6,000,000 which it was considered had incurred up to that date.

That the period of 1915-16-17-18-19-20 was not traversed in the course of the investigation was due, it is understood, to the fact that it was felt that the return for October, 1921, contained all the losses that had accumulated up to that time. As a matter of fact the defence scored in declaring that the losses that had accumulated up to April 30, 1921, were provided for partly out of the contingency fund, or "hidden" reserve, as it was sometimes called, and partly out of an arrangement made by transferring the real estate into the hands of a real estate company and receiving bonds and then selling these bonds, and applying the cash received against losses, and also in writing up the equity still remaining in the real estate. The judge, however, did not condemn this practice. It was contended by the defence that the whole loss through the Thornton Davidson affair had been provided for in the April, 1921, annual report.

VALUE OF MARK

Germany's greatest financial interest just now is in the conference of bankers associated with the Reparations Commission in Paris which is to be attendes by J. P. Morgan, and which will decide upon the practicability and terms of an international loan to German. Oscar T. Crosby, former assistant secretary of the U. S. Treasury, sees in the German credit tension signs of hard times not far off. He doubts if Germany will ever redeem the mark at more than twice its present exchange value and thinks even this improbable. The head of the Banw of France Research Bureau says the mark's flow value is due not only to inflation at home but exhaustion of speculative gullibility tbroad.

"MOUNTIES" OPPOSE REGINA INCOME TAX

Officers and Men of the Force Buck Civic Demands

From Our Own Correspondent.

REGINA—Officers and men of the Royal Northwest Mounted Police and of the permanent Canadian militia stationed here, are appealing against the municipal income tax levy made by the city.

Appellants ask definite ruling from the Local Government Board in respect to the tax, contending its legality does not apply in relation to themselves on the following grounds:

1.—Because they are transients and not persons continuously residing in the City of Regina.

2.—That income earned during the year A.D. 1921, cannot lawfully be assessed for taxes in the year 1922.

3.—That the several amounts of which the appellants are assessed as income, include living allowances in kind and not in cash, and that such allowances are not lawfully assessable as emoluments.

Montreal's Borrowing Margin Now $4,300,000

Montreal has now a borrowing margin of $4,334,296 the first time since 1915 that city has been in the position of having a substantial margin above its statutory debt limit. The assessable property value in 1921 was $695,290,430, from which has to be deducted $25,643,580, the value of taxable property in Maisonneuve.

The city is allowed to borrow 12 per cent. on the amount by which the taxable property exceeds in value the taxable property on which the city last borrowed—$621,000,000.

The net increase amounts to $48,646,850 or a borrowing margin of $5,837,622. Certain deductions bring this down to $4,334,296.

Regina School Issue Is Taken Up Locally

From Our Own Correspondent.

REGINA—The sale of a small block of Regina school debentures, $13,000 worth, here during the week at a price of $109.44, appears to indicate that investors are still capable of absorbing attractive securities in this part of the world.

The bonds are a thirty year issue, bearing 6½ per cent. interest, Clifton, Cross & Co., of Regina being the highest bidder. The bonds are part of an issue of $160,000, authorized by the Local Government Board in 1920, $130,000 of which were sold last year. The balance of the issue may now be cancelled as the board does not require the money; capital expenditure having been bolstered from other sources.

Surplus Is Noted In Regina's Reports

From Our Own Correspondent.

REGINA.—The auditor's statement for the first four months of the current year indicates a net surplus in all city debentures of $9,378.32. This surplus is considerably in excess of the ratio anticipated as at the time the annual estimates were considered, the year's unexpended balance was placed at $1,185.68.

The balance on the credit side of the ledger was made possible only because of the splendid showing made by the Electric Light Department. This branch shows a net profit for the period of $60.815.68.

Other utilities show deficits, the street railway having a debit of $2,729 and the waterworks' branch, $4,497. In almost all other departments a full proportion, or more, of the amounts allowed in the estimates, has been expended.

BUY C. N. O. R. DEBENTURES

From Our Own Correspondent.

VANCOUVER.—Victoria city has bought from Pemberton and Son £14,500 of Canadian Northern Ontario debenture stock due 1961 at 72.38 as a sinking fund investment.

TENDERS AND BY-LAWS

TENDERS WANTED

May 29, Village of Point Edward.—$17,200 6 per cent., 20-year housing debentures, David Suhler, clerk, village of Point Edward.

May 31 County of Brant.—$175,000 5½ per cent., 1922 to 1936, debentures A. E. Watts, county treasurer, Brantford. (See announcement on page 16.)

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold To—	Rate	Term	Amount	Price	Basis
May 22	Regina Schools	Clifton, Cross & Co.	6½%	30 yrs.	$13,000	109.44	
May 23	Windsor, Ont.	R. C. Matthews & Co., A. Jarvis & Co., McLeod, Young, Weir & Co.	5½%	20 in. (av.)	$1,254,940	98.89	5.60
May 20	Guelph, Ont.	Municipal Bankers Corp.	5½%	20 yr.	$38,852	101.51	5.38
May 22	Tp. of Ancaster, Ont.	Municipal Bankers Corp.	5½%	20 yr.	$40,000	100.40	
May 20	Edmonton Schools	A. E. Ames & Co.	5½%	40 yr.	$175,000	94.16	
May 20	East Angus, P. Q.	McLeod, Young, Weir & Co., and Greenshields & Co.	6 %	30 yr.	$110,000	101.96	
May 23	Kitchener, Ont.	A. Jarvis & Co.	6 %	10 in.	$392,225	101.13	5.75
May 23	Calgary Schools	A. Jarvis & Co.	6 %	10 & 20 in.	$280,000	100.15*	
May 22	Camrose, Alta.	Northern Investment Co.	7 %	20 yr.	$20,000		
May 20	Nelson, B. C.	Royal Financial Corp.		15 yr.	$60,000	98.	
May 18	Yorkton, Sask. Schools	Clifton C. Cross & Co.	7 %		$15,000	100.15	
May 23	Vernon, B. C.	Royal Financial Corp.	6 %	15 yr.	$37,000	99.07	
		INDUSTRIAL					
May 22	Canada Flour Mills	McParland, Barrett & Co., and Rice, Gibson & Co.	6½%	20 yr.	$150,000		

*Payable N. Y.

HW
We offer
Mercury Mills Limited
6½%
Twenty-Year First Mortgage Sinking Fund Bonds
To Yield About
6⅝%
HOUSSER WOOD & COMPANY
INVESTMENT BANKERS
12 King St. E., TORONTO.

THE CANADA TRUST COMPANY
£10,000
PROVINCE OF SASKATCHEWAN
4% Bonds
Due 1st Jan. 1949
Price: 81.44 and Interest
Yielding
5.30%
CANADA TRUST CO.
14 KING ST EAST TORONTO
HUME CRONYN - J. R. MITCHELL
Gen. Manager Mgr Bond Dept

We Offer a Limited Amount of
Manitoba Power Bonds
Guaranteed by the Winnipeg Electric Railway Company.
These are Public Utility Bonds of the first class, nevertheless they may still be purchased from us at a price to yield above the average rate of interest for so high grade a security — in other words at —
101 and Interest to Yield 6.90%
Write for descriptive circular
R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO

The Strength of
Wabasso Cotton
Company, Limited
7% BONDS
is well proven in the circular which we have issued giving a statement of earnings for the last four years as well as a copy of the last balance sheet.

Assets are nearly three times Bonds outstanding, and earnings for many years have reached over 3½ times Bond interest requirements.

Price: 100 and Interest to Yield 7%
Write for Particulars.
L. M. Green & Co.
Union Bank Bldg., TORONTO

MERCURY MILLS LIMITED
6½% Bonds
to Yield 6⅝%
Circular upon request
MacKay & MacKay
C.P.R. BUILDING - TORONTO

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
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The Leading Life Company of the Dominion
Assurances In Force - $550,000,000
Assets - $130,000,000
Sun Life Assurance Company of Canada
Head Office: Montreal

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$74,000,000.00
POLICIES ISSUED FROM $500 TO $5000
G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

YOUR FAMILY, YOUR HOME, YOUR BUSINESS,

---Demand Adequate Protection---

A healthy man, thirty-five years of age, earning $1000. per annum is worth to his family in money, as an income producer, at least $17,500. That is—when he dies, the family loses in potential wealth $17,500. An income of $1000 at earlier ages than 35 is worth more; at later ages less. Your estate, including the life insurance that you carry, probably does not nearly equal the present value of your income. In view of this, should you not increase the protection you are at present carrying? Mutual policies give maximum protection at minimum cost. It is of course not practicable to carry insurance sufficient to replace entirely the income received during the assured's life-time. But every effort should be made at least to guarantee to the survivors a home with a reasonable standard of living.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO

To the Holders of the SEVEN PER CENT TWENTY YEAR FIRST MORTGAGE SINKING FUND GOLD COUPON BONDS of AMES HOLDEN TIRE COMPANY LIMITED

Due 1st JULY, 1939

AMES HOLDEN McCREADY LIMITED has defaulted in the payment of the interest on its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922, and has announced that some general scheme of reorganization is necessary in order to provide additional working capital to enable it to continue in operation.

Ames Holden McCready Limited is largely interested in the Ames Holden Tire Company Limited, which has been operated as a subsidiary of the parent Company. The principal and interest of the Bonds of Ames Holden Tire Company Limited are guaranteed by the parent Company. The Tire Company has brought forward a substantial profit for the year ending December 31st last, but its current liabilities are in excess of its current assets. Protective Committees have been formed to represent the different classes of bondholders of each of the Companies interested. The ordinary creditors of each Company will also be represented by Committees.

Although the bonds of the Ames Holden Tire Company are not in default, your Company and the parent Company are so closely allied, that questions may arise affecting your interests which would make it desirable that some concerted action should be taken by the Bondholders of the Tire Company. For this purpose a Bondholders Protective Committee has been organized with the following members.

A. J. NESBITT,
of Nesbitt, Thomson & Co., Limited, Montreal

GEO. S. BURDEN,
of Creak, Cushing & Hodgson.

RUSSELL D. BELL,
of Greenshields & Co., Montreal

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the July 1st, 1922 and all subsequent coupons attached, to The Eastern Trust Company at its office in Montreal, Depositary under the agreement.

Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committtee Deposit Agreement under the terms and conditions of which the Twenty-Year First Mortgage Gold Bonds of Ames Holden Tire Company, Limited will be deposited have been lodged with the Depositary, and one or more copies of the same will be delivered to any holder on demand.

Montreal, April 27th, 1922.

On behalf of the Committee.

STANLEY MacPHERSON,
Secretary.

Secretary's Address:
804 Bank of Toronto Building,
St. James Street, Montreal.

INSURANCE AND REAL ESTATE

INVESTMENT VALUE OF LIFE INSURANCE VERY ATTRACTIVE

Increasing Demand For "With Profits" Insurance As Operating Conditions Improve

During the past few weeks there have been an ever-increasing number of people who are investing in participating or "with profits" insurance, whch appeals to those who are willing to lay out immediate cash in the hope of future gain. For all those who have adopted or intend to adopt the "with profits" system of insurance the first consideration is the likelihood of substantial earnings by the companies of their selection.

Life insurance companies are in a good position to earn profits for their policyholders. This will be seen when the sources from which their profits flow are examined. They are: first, the margin of net interest earned by the funds above the rate assumed in valuation of securities; secondly, the margin between the death rate assumed in the calculations and the death rate actually experienced; and, thirdly, the margin between the allowance made for expenses and the actual expenditures. The principal positive loss is the decline in the value of investments, a decline which compels life companies to write down the book values of their securities.

Two Sources of Profits

Let us look for a while at the first two sources of profit, the margin of interest earnings and the savings on mortality. The rates of interest assumed at the valuation of the strong and prudent offices remain about the same as before the war, usually 3 per cent. The 2½ per cent. maintained by a few offices, is out of favor, and a rate of 3½ per cent. does not take sufficient account of the future. The actual net earnings of the companies on their large funds are higher than they were before the war. The greater yield upon new and revised investments more than compensates for the increased taxes. The actual rate varies earned ranges from 5 to 5½ per cent.

Mortality Table

Then we come to the profit on mortality. The life tables employed by the companies get out of date very quickly. The latest one expresses the mortality experienced by assured lives during the generation which ended in 1893. Since the data were collected the conditions of daily existence in this country have become more and more healthy among the people with which life offices are chiefly concerned. The experience of the life companies varies; taking it generally it may be said that death claims paid are not more than two-thirds. One cannot put the profit of mortality tables into figures, but it is obviously great and increasing. The margin between expenses calculated for and expenses incurred tends to be a diminishing source of profit. Premium rates remain unaltered, but the ratio of expenses to premiums rises. This tendency towards a higher cost of administration is the one fly in the ointment of "with profit" policy holders.

The most favorable feature of all this is, of course, the damming of that open drain upon profits, the continual depreciation in investment values. But now the investment values are rising, the heavy writing down of the past seven years is all in favor of future profit earnings. The valuation reports which have been issued this year tell the same story, the appreciation instead of the depreciation of investments, and the resumption of bonuses where they had been suspended.

As an example that with-profits policies certainly pay is given in the example of the two men below. These men took $1,000 out in 1866 at the same time, on the same plan at the same age of entry. With profit policy up to 1919 had cost its owner a total of $165.98 while the without profits policy had cost $1,063.80. In the first policy the premiums for the first few years were considerably higher. the comparison being $21.60 to $19.70. But by 1894 the premiums of the first policy had declined to $4.88 and from 1895 the profits took care of the premiums and returned the assured surplus amounts totalling $259.70. As the actual payments under this policy were $425.68 less surplus payments since 1895 of $259.70 the net cash cost is $165.98. On the other hand the premiums of the without profits policy remained unchanged at $19.70 from 1866 to 1894 or a total of $571.30 and the payments from 1894 to 1919 amount to $492.50 or making a grand total of $1,063.80.

QUEEN'S ROYAL

Plans for the re-organization of Queen's Royal, Ltd., as Queen's Royal Country Club have fallen through, and the hotel at Niagara-on-the-Lake will again be operated as a summer hotel and tourist resort. Canadian tennis and lawn bowling championships have been arranged to be held at the hotel. W. C. Goffatt, president of the company, who arranged the financing of the new Queen's Royal, Ltd., will manage the property this season.

MONARCH LIFE CHANGES

At a recent meeting in Regina, M. B. Farr was promoted to the position of superintendent of Eastern agencies for the Monarch Life Assurance Company. Mr. Farr has progressed with this company from one position to another, being first in Edmonton, then as manager at Calgary and later as provincial superintendent for Alberta, and up to the time of his removal, was provincial superintendent for the province of Saskatchewan. During the year previous to his leaving Regina, Mr. Farr was president of the Saskatchewan Life Underwriters' Association.

F. H. Proby has been appointed head office inspector for the Monarch Life Assurance Company. Mr. Proby had twelve years of successful experience and comes to the company with a good record.

REINVESTING VALUE OF MATURED POLICY

Holders of Matured Endowment Policy Can Purchase More Insurance To Protect Family

How should a maturng endowment insurance policy be invested? Should it be left with the company to accumulate interest, at say about 4½ per cent.; should the proceeds be withdrawn and invested; or should the cash surrender value be taken and invested in gilt edged bonds and the income derived from them used to buy more insurance? Here are three hypothetical cases of men who bought their insurance in early life, whose policies are now maturing and who are in different financial circumstances, and are considering the best way to use the proceeds of their policies.

First, there is the man who simply bought his insurance to provide for his own comfort when he wished to retire from business. He takes the proceeds of the policy and places it in some sound security along with the remainder of his investments.

The second man applies the total proceeds to buy non-participating, paid-up life insurance to protect his family—subject, of course, to a satisfactory medical examination—or he purchases an annuity for life.

Then there is the man whose whole aim is to swell the bulk of his estate for the protection of his family or business after his death. He wants to round out his estate and to provide ready money to pay succession duties and the many expenses in connection with the settling up of his affairs.

When his policy matures he can take the cash surrender value of it, which in the case of a $10,000 participating policy, plus earnings, would amount to about $12,500. This amount of money could be invested in first class government or municipal bonds which at present market prices would yield about 5½ per cent. The interest earned would be $692.50 or close to $700 per annum.

From the tables of a well known insurance company it is learned that the amount of premium for a man aged 40, is about $59 per thousand for endowment insurance. With the $700 received from his endowments he could purchase nearly $12,000 more insurance. In the event of his death his estate would be worth $24,500 in place of the original protection of $10,000.

Every insurance company to-day urges its policy holders to reinsure, if medically fit, on the theory that in no other way may an estate be built up so rapidly with the further advantage of the added protection.

AUSTRALIAN CO. MAKES FINE RECORD

Mutual Life & Citizens' Assurance Co. Had New Business of $14,700,000

MONTREAL.—A cablegram received from the head office of the Mutual Life and Citizens' Assurance Company of Australia at the local branch indicates in brief the results of the past year's operations of the Company. It will be noticed by the figures these are very creditable and go still further to strengthen the position of the Company.

The Ordinary Branch new business written during 1921 exceeded $14,700,000. The income for the financial year was in excess of $9,300,000 and the surplus earned for the year exceeded $2,300,000. Payments to policy holders were over $4,500,000, not including a sum of over $1,700,000 in bonuses credited to Ordinary Branch policy holders, but not yet drawn.

The Ordinary Branch expense rate was 14.6 per cent. of the premiums and the Industrial rate 36.4 per cent., the expense rate of both Branches combined being 21.1 per cent. of the premiums. The Ordinary Branch bonuses remain at the same high rate as for 1920. The assets of the Mutual Life and Citizens' Company now exceed $80,000,000.

Detailed reports of the Company are expected to arrive from Australia for distribution in Canada within a few weeks.

NO FIRE RISK TO RADIO APPARATUS PROPERLY PUT UP

Canadian Fire Underwriters Association Have Adopted Temporary Regulations

Another step in the universal recognition of citizen radio has come with the promulgation of insurance underwriters and engineers of new rules for installation of radio devices in the home. The national electric code heretofore has required an expensive and intricate installation. These rules have generally been enforced by insurance inspectors.

The home aerial has been considered a distinct menace in that it was said to attract lightning. But experience of the insurance companies indicates the aerial has not proved the hazard that was anticipated. There have been virtually no reports indicating damage to either life or property as the result of radio installations. So far from being a menace, the home aerial, properly installed is now considered more of a protection. The Canadian Fire Underwriters Association have temporarily adopted the rules of the National Fire Protection Association of America, until their annual meeting in November. These rules call for only ordinary insulation and lightning arrester protect in the installation.

These new rules, briefly, state that the antennae shall not cross over or under any electric light wires in such a manner that they may, accidentally or otherwise, ever come in contact with the power lines and that the antennae shall be "constructed and installed in a strong and durable manner." All joints and connections in the antennae wires must be soldered. Lead-in wires can either be of copper, copper-lead steel, or other non-corroding metal, must not be less than 14 B. & S. gauge in size, must not come nearer than four inches of any electric light or power wires, and must enter the building through a "non-combustible, non-absorptive insulated bushing."

Lead-in wires must be protected with an approved lighting arrester, such as is now sold for a dollar or two at any radio store. Water pipes are given preference as ground connections; gas pipes must not be used. A ground clamp must be used to connect wires to pipes unless they are firmly soldered in place. Wires inside must not come within two inches of any electric light unless thoroughly insulated by a porcelain or other like insulating conductor in addition to the usual rubber covering on the wires.

These directions, simple and inexpensive to follow, are all that will be demanded by your insurance inspector. Permanent rules are expected to follow.

Says Good Time to Buy Some Materials

Were I a manufacurere of rubber goods, I would place contracts for large quantities of crude rubber at current prices. If a user of copper, I wouldn't be afraid to place orders at prevailing prices for future delivery. If I were a cotton manufacturer or speculator, I would proceed on the assumption that raw cotton will advance rather than decline from current levels. Another commodity which looks very cheap is sugar. Coffee was, but isn't now. If a large user of iron and steel products, I would reason that prices are more likely to rise a little than to recede. Doubtless there are other commodities and materials destined to go upwards.

On general principles, it is safe to lay in stocks of any staple which is selling below cost of production or at a level not yielding a rational profit. In the early stages of a general downward swing of prices it is prudent to act most cautiously, buying simply from hand-to-mouth. But we have now reached a point in the economic cycle where, I firmly believe business men interested in any raw material selling at a very low price should consider seriously the advisability of stocking up.—B. C. Forbes, in Forbes Magazine.

Life Insurance As Collateral Security

Some interesting observations on the field for life insurance, as it exists in Canada to-day were made by Herbert E. Cox, president of the Canada Life Assurance Company, at their annual meeting in London recently. The following are excerpts from his address:

"Life insurance is one of the great, silent, stabilising factors in business and in the home. There has been in evidence in the United States for some considerable time a tendency upon the part of bankers to ask for life assurance as collateral security in cases where the personal equation enters largely into the granting of credits.

"The desirability of such protection has of late been attracting the attention of Canadian bankers, and we look for an increasing demand from this source. The life of the borrower is of such importance to the lender that, in our opinion, this form of protection is as necessary as is the insurance upon his merchandise. Greater co-operation between the banks and insurance companies in this direction could not fail to be of mutual advantage. It is understood that in future the amount of life insurance carried will be a feature of all credit reports issued by two of the leading credit agencies, and will have its influence in determining the general financial status of the individual or corporation under review. This growing realization of the value of life assurance in business relations is greatly widening the field for the companies."

CONSOLIDATED MINING

A special meeting has been called of shareholders of the Consolidated Mining and Smelting Company for May 30 at 3 p.m. at the head office of the Company here, to ratify the new issue of $6,000,000 or so of 7 per cent. bonds to be made to refund the outstanding issue and also to provide additional capital for the company. Action of this nature was outlined by the president of the Company, J. J. Warren, at the annual meeting.

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man

Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.

Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH
Managing Director

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses paid since Organization $84,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bickerdike (Montreal,) Ltd.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York,) D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over ...$52,000,000.00

WESTERN HOMES
Limited
WINNIPEG, MAN.
Capital Authorized ..$5,000,000
Capital Subscribed... 1,700,000

Mortgage Investments
Available shares afford a safe and profitable investment for savings. For full particulars write the Company's Office, Confederation Life Building. Winnipeg.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE, WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W.H. George, Superintendent of Agencies

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.
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4% Interest on Deposits
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TIMBER ESTIMATES
Reports and Maps
JAMES W. SEWALL
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Old Town Maine.
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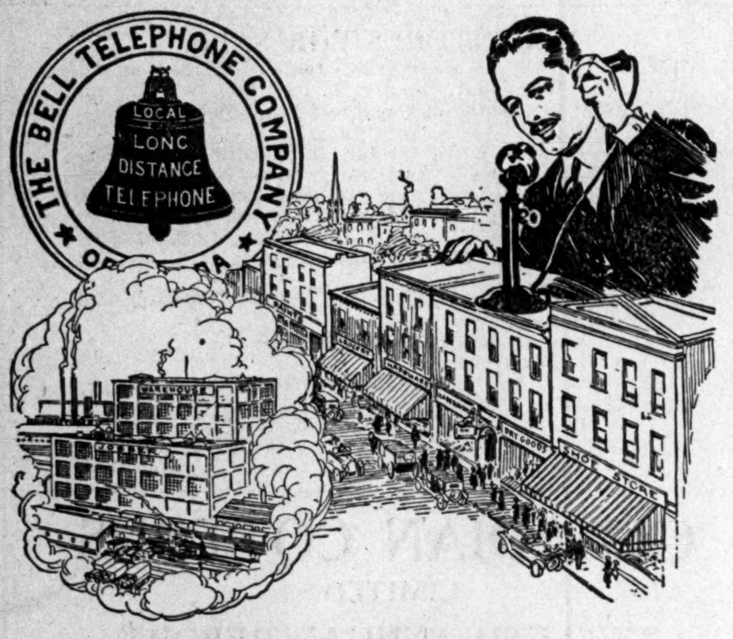

They Want
what they read about

The standards of living for the average family in Canada grow higher each year. The luxuries of yesterday are the necessities of to-day. People in the smaller towns and on farms want the newer things they read about.

Dry Goods Stores, Grocers, Shoe, Hardware and Paint Stores, in the smaller towns, all find they can show the newest things by carrying small stocks of them and re-ordering by Long Distance. The jobber or manufacturer's warehouse is at their elbow — their order departments are alert for telephone trade!

Shipments are often made the same day. Up-to-dateness of merchandise is no longer confined to the big city stores — and large sums are not locked up in stock.

Try it. Have a big store in a small town. "Use the Bell to Sell" — and to Buy.

Every Bell Telephone is a Long Distance Station

To the Holders of the SEVEN PER CENT TWENTY YEAR FIRST MORTGAGE SINKING FUND GOLD COUPON BONDS of AMES HOLDEN FELT COMPANY LIMITED

Due 1st JANUARY, 1940

AMES-HOLDEN McCREADY Limited has defaulted in the payment of the interest on its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922.

Ames Holden McCready Limited is largely interested in Ames Holden Felt Company Limited and in Ames Holden Tire Company Limited, both of which have been operated as subsidiaries of the parent Company. The three Companies mentioned have outstanding issues of Bonds. The principal and interest of the Bonds of Ames Holden Felt Company Limited and Ames Holden Tire Company Limited have been guaranteed by the parent Company. Protective Committees have been formed to represent the different classes of bondholders of each of the three Companies interested. The ordinary creditors of each Company will also be represented by Committees.

In order to protect the interests of the First Mortgage Bondholders of Ames Holden Felt Company Limited a Bondholders Protective Committee has been organized with the following members:—

J. R. RYAN,
of Ryan, Grier & Hastings,
Montreal.

BRIGADIER-GENERAL E. de B. PANET,
of Montreal.

A. C. STEAD,
of Riddell, Stead, Graham & Hutchison,
Montreal.

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the July 1st, 1922 and all subsequent coupons attached, to The Royal Trust Company at its offices in Montreal, Toronto, Quebec or Winnipeg, Depositary under the agreement.

Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committee Deposit Agreement under the terms and conditions of which the Twenty-Year First Mortgage Gold Bonds of Ames Holden Felt Company Limited will be deposited have been lodged with the Depositary (Royal Trust Company) and one or more copies of the same will be delivered to any bondholder on demand.

Montreal, April 27th, 1922.

On behalf of the Committee.

STANLEY MacPHERSON,
Secretary.

Secretary's Address:
804 Bank of Toronto Building,
St. James Street, Montreal.

PUBLIC UTILITIES AND PEOPLE MUST GET TOGETHER

(Continued from page 2)

for its street-car system, and now under municipal control and operation and with an eight-cent fare, scarcely any one is getting what he wants. At present there is a movement under way to make that fare five cents, with the understanding that the losses which will result are to be paid by the city out of general revenues. The Seattle taxpayers are commencing to see the light of day. They started out with the idea of getting out of trouble, and instead they have gone in over their heads. Various remedies are now being proposed, and there is a possibility that the final proposition will be to carry the people for nothing.

The Danger of Politics

The experience in Seattle and other places has shown that municipal ownership, instead of taking a public utility out of politics makes it a veritable football of politics. Generally, managers of municipally owned utilities are so poorly paid that it is difficult to secure an efficient executive at the salary that is offered and if a competent official does develop in such a job, some private company steps in and offers a higher price for his brains and ability. The mayor who purchased the trolley lines in Seattle for the city stated recently that every advantage should be given the utilities for the conduct of their affairs privately, and that such enterprises should be allowed to remain in private hands. Said he: "In the final analysis it will be found that the corporations are owned by the great rank and file of the people, who have been thrifty enough to lay aside something for a rainy day, and I believe that every public man's work in this country is to see that those who have invested their money get justice and at the same time see that the public gets adequate service at a fair price.

In a large Michigan city the showing made by the municipally owned car lines during the last few months has indicated plainly that no service can be rendered at less than the cost of giving it. In the last month of private control the street railway company lost $2,480, which compares with a loss of $3,451 last month under municipal control. Furthermore, the loss under city operation does not include interest, taxes, retirement of bonds, reserve, depreciation, and other charges usually figured in the profit-and-loss accounts of privately operated utility corporations. The car riders in this particular city are now enjoying the luxury of a pre-war fare, but they will find a little later on, when they pay their taxes, that in the end the public as a whole must pay the losses sustained.

Advocates of municipal and government ownership for several years have been calling attention to the wonderful results that have been obtained in Ontario, Canada, through the government's ownership and operation of electric light and power utilities. A report of American engineers, headed by W. S. Murray, who conducted the United States Government's super-power survey last year, proves that the Ontario hydro-electric system is inferior to similar systems under private ownership in the United States. The Canadian enterprise is not a success, from the viewpoint of either service or low cost, as compared to our privately owned and publicly regulated electric light and power companies, says the report.

Results of Government Ownership

Advocates of government or municipal ownership of utilities claim a reduction in costs due to the elimination of taxes, the abolition of dividends, the doing away with high-salaried executives, and the more economical wage and higher efficiency of labor. Under government ownership just as much money in taxes is paid, the only difference being in the distribution of the taxes. In private ownership, only the users of service pay the tax bill, while in the case of government-owned utilities, all the people pay the bill. As to the claims concerning dividends, high salaries, and more efficient labor, the answer is found in the fact that when the total operations are summed up, the people receive the power at less cost through private ownership under regulation. Such is the finding of Mr. Murray in his examination of this outstanding example of state operation.

The investment of capital under private interest control is better protected from extravagance than when that capital is governmentally owned. In the case of government owned utilities, the directing heads are seldom specially trained in the business under their jurisdiction. Accomplishment by individuals in control of private enterprise is subjected to keener observation than is the case when those in charge are governmental or municipal officers. Ownership of a utility by the state or city eliminates all incentive for gain, and throttles initiative. This is evidenced by the far greater growth of privately owned utilities.

The time has arrived when the public utilities and the people must get together. The utilities are the heaviest taxpayers in every populated section of the country. In the state of Ohio alone, all the public-utility companies, exclusive of steam railroads, paid $19,000,000 in taxes during the last year for which a report is available. No community can develop faster than its utilities. Therefore, regulation of these public-service corporations must be progressive and efficient rather than merely restrictive and corrective. Where the people decide to go in for municipal ownership and operation, there should be the same regulation of the publicly owned plants that there is now for the privately operated utilities. The reasons for regulation are the same in both cases, and rates should be controlled so that the power to cut them could not be used to annihilate a rival and destroy the investment of many honest citizens.

An interesting survey was made in one Eastern state, and the facts brought out are typical of the whole country. It was shown that when each telephone subscriber paid his monthly bill last year for telephone service, 40 cents of the amount paid each month went for taxes. Out of the amount paid by each gas consumer, 67 cents went for taxes, while 50 cents of the amount paid each month by the electrical consumer was likewise used to cover taxes. Also, out of every dollar that the citizens paid to their interurban or street railroads, 7 cents went for taxes.

The nation's public utilities not only render an essential service, but contribute their full share to the country's advancement, socially and industrially. If the utilities go back, the nation cannot go ahead. We have come to a day when the obvious needs are fair play, mutual understanding and all-round good will.

WHY SHOULD FARMERS HAVE SPECIAL BANKING FACILITIES?

(Continued from page 11)

and the farm buyer. As I have said before in THE POST and MACLEAN'S the back is growing a little tired of its load and is beginning to heave.

"Not only have the Federal Land Banks been subjected to every sort of attack, but they have been tested in the courts as unconstitutional, which tied up their expansion for about two years; but the Supreme Court pronounced the Federal Land Bank bonds constitutional and sound; and the wheels went round again.

To answer the objections first.

Why should the farmers have special banking facilities?

For the same reason that the other industries have. There is no use saying that other industries don't have special facilities. They do. in a lot of definite lines. There are bankers who market only certain classes of bonds, international, municipal, rails, etc. There are others, who facilitate export trade. There are others, who run to building expansion, to oil development, to steel, to estates, to women depositors and investors, to penny savings, to foreigners' needs.

But the farmers' needs differ from the most of these. Internationals, rails, oils, building trades, require terms of ten to fifteen and twenty years. Wholesale and retail trade requires credits of sixty to ninety days and renewals. A farmer's field crop comes only once in six months, a live stock crop is marketable only once in three years; and in bad years, the cereal crop may require extensions of three years. What if the mortgage falls due in these bottom-of-the-trough eras? The farmer has difficulty in getting the money at all and has to take it on the lender's terms, which, of course, are harder in bad years than good years.

So the farmer, too, needs his type of bank especially suited to his especial needs.

Why should a government system be launched in competition with private systems, that have formerly filled the needs?

Because the private systems, as proved by a hundred years experience in America and Europe, existed to lend on terms of the greatest possible profit to the lender. Because in many cases, it exacted more than the traffic could stand. Because at the end of the interest paying period, it left the farmer still in debt for capital. Because in a word, it kept him a slave to capital The government system eliminates profit to the lender. It is for the benefit of the borrower. Each interest payment also amortizes part of the capital debt, so when the last interest is paid, the capital is paid and the debtor is foot-free.

But why should the farmers' Federal Land Bonds be exempt from all taxation? Because the farmer has already paid the tax on his land to school and road and state; and to tax his bonds would be to tax him twice; for when mortgages and bonds are taxed, the tax is passed on, not to the lender, but in a higher interest rate to the borrower.

But the proof of the pudding is in the eating.

How has the system worked? With that I deal in my next.

To the Holders of the THIRTY-YEAR SIX PER CENT FIRST MORTGAGE GOLD COUPON BONDS of AMES HOLDEN McCREADY LIMITED

Due 1st APRIL, 1941

THE financial statement for the year 1921 submitted at the Annual General Meeting of Shareholders of Ames Holden McCready Limited, held on the 26th day of April, 1922, shows a debit profit and loss balance for the year of $1,201,338. It would appear that this loss has resulted from general depression in trade, liquidation of inventories, etc.

The Company has defaulted in the payment of the interest on the above mentioned issue of its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922, and has announced that some general scheme of reorganization is necessary in order to provide additional working capital to enable it to continue in operation.

The Company is largely interested in Ames Holden Felt Company Limited and in Ames Holden Tire Company Limited, both of which have been operated as subsidiaries of the parent company. These companies have outstanding issues of First Mortgage Bonds and are largely indebted to trade creditors. The bonds of the subsidiary companies are guaranteed as to principal and interest by the parent company. It would seem apparent that a general plan of reorganization must involve both the parent company and its subsidiaries. Protective Committees have been formed to represent the different classes of bondholders of each of the three companies interested. The ordinary creditors of each company will also be represented by Committees.

In order to protect the interests of the First Mortgage Bondholders of Ames Holden McCready Limited, a Bondholders Protective Committee has been organized with the following members:—

EDWIN HANSON
Hanson Bros., Investment Bankers
Montreal

JAMES HUTCHISON, C.A.
Messrs. Riddell, Stead,
Graham & Hutchison
Accountants, Montreal

JOHN M. MACKIE
Financial Agent,
Montreal

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the April 1st, 1922 and all subsequent coupons attached to The Royal Trust Company, at its offices in Montreal, Toronto, Quebec or Winnipeg, or to the Bank of Montreal, 47 Threadneedle Street, London, E.C., as agents for the Royal Trust Company, Depositary under the Agreement. Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committee Deposit Agreement, under the terms and conditions of which the First Mortgage Gold Coupon Bonds of Ames Holden McCready Limited will be deposited, have been lodged with the Depositary and one or more copies of the same will be delivered to any bondholder on demand.

Montreal, April 27, 1922.

On behalf of the Committee.

STANLEY MacPHERSON,
Secretary.

Secretary's Address:
804 Bank of Toronto Building,
St. James Street, Montreal.

THE FUTURE
BY EVERYMAN

"The Future"

BY
EVERYMAN
(Reviewed by the Canada Life)

You All Know the Title.
Briefly, Here is the Story:

What Happens to 100 Average men of 25 upon reaching age SIXTY-FIVE.

No. 1—ONE only will be wealthy.

No. 2—FOUR will be well-to-do and able to enjoy comfort and recreation.

No. 3—FIVE will still be working for a living, with no prospect of relief from drudgery.

No. 4—FIFTY-FOUR will be dependent upon friends or relatives or charity.

Experience

shows that of 100 average healthy men 25 years of age the following facts will be true at sixty-five years of age:

ONE only will be wealthy.
FOUR will be well-to-do.
FIVE will still be working for a living.
THIRTY-SIX will be dead.
FIFTY-FOUR will be dependent upon friends, relatives or charity.

In View of These Facts

Can you afford to lightly regard the Future when a small deposit set aside regularly each year will guarantee you in cash at age 65 the sum of

$2,000 $5,000 $10,000

or more, depending upon your ability to save?

The Endowment at 65

issued by the Canada Life will solve the problem of your Future and guarantee a happy ending to your life story.

It is a Certainty

The full amount of your policy will be paid in any case, whether you live or die. Other investments may depreciate in value or fail. This is a certainty. The guarantee will take care of your home, or your business, or your personal interests, as nothing else can.

Whatever your circumstances may be later on in life, you will welcome a fund of a few thousand dollars. You may need it then.

Ask for particulars of this policy

Established
1847

Canada Life
Assurance Company
HEAD OFFICE
TORONTO, Canada

Canada Life Assurance Company, Toronto
Dear Sirs:— Without obligation on my part send me particulars of your Endowment at Sixty-five.
Name ....
Address ....
Age ....
12

RADIO—

acclaimed as the greatest single contribution to the progress of civilization, by both scientists and practical business men, continues to grow in popularity and service in astonishing proportion.

Radio is still in its infancy. Its greatest utility, probably, has not yet been recognized. An opportunity to participate in the growth and development of this industry is given through an offering of shares in the

JEWETT RADIO-PHONOGRAPHS
LIMITED

a company formed to manufacture complete Radio receiving apparatus, from the smallest to the largest sets. The company has numerous patent claims, and will specialize in the manufacture of a combination phonograph and Radio machine.

The men back of this industry are experienced business men who have a record of proven success.

We consider shares in this company offer an attractive investment opportunity, giving you the privilege of securing an interest in what will be one of the leading industries.

Price: $10.00 Per Share

A descriptive circular giving complete information regarding the above Company, and outlining the possibilities, will be mailed upon request.

Thorburn, Sweetman & Company
Limited
Investment Securities
Royal Bank Bldg., TORONTO
Adelaide 7360

BANK OF MONTREAL

Statement of the Result of the Business of the Bank for the Half-Year Ended 29th April, 1922.

Balance of Profit and Loss Account, 31st October, 1921		$1,501,646.61
Profits for the half-year ended 29th April, 1922, after deducting charges of management, and making full provision for all bad and doubtful debts		2,221,426.34
		$3,723,072.95
Quarterly Dividend 3 per cent. paid 1st March, 1922	$660,000.00	
Quarterly Dividend 3 per cent. payable 1st June, 1922	817,500.00	
War tax on Bank Note Circulation to 29th April, 1922	115,897.19	
Reservation for Bank Premises	500,000.00	
		2,093,397.19
		$1,629,675.76
Capital Stock of The Merchants Bank of Canada in excess of the value at par of the Capital Stock of the Bank of Montreal issued and Cash paid therefor	4,200,000.00	
Transferred to Rest Account	4,200,000.00	
Amount transferred from Profit and Loss Account to Rest Account		1,050,000.00
Balance of Profit and Loss carried forward		$ 579,675.76

GENERAL STATEMENT, 29th APRIL, 1922
LIABILITIES

Capital Stock		$ 27,250,000.00
Rest	$27,250,000.00	
Balance of Profits carried forward	579,675.76	
	$27,829,675.76	
Unclaimed Dividends	15,054.76	
Quarterly Dividend, payable 1st June, 1922	817,500.00	
		28,662,230.52
		$ 55,912,230.52
Notes of the Bank in circulation	$39,624,473.50	
Deposits not bearing interest	142,576,318.45	
Deposits bearing interest, including interest accrued to date of statement	401,852,088.16	
Deposits made by and Balances due to other Banks in Canada	4,909,325.42	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	3,060,317.68	
Bills Payable	2,308,481.03	
		594,331,004.24
Acceptances under Letters of Credit		2,249,683.23
Liabilities not included in the foregoing		1,376,153.22
		$653,869,071.21

ASSETS

Gold and Silver coin current		$30,672,853.41	
Dominion notes		64,191,098.75	
Deposit in the Central Gold Reserves		18,000,000.00	
Deposits made with, and Balances due by other Banks in Canada		122,015.27	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	$13,791,351.68		
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks	6,598,990.79		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States	101,790,446.01		
		$122,180,788.48	
Dominion and Provincial Government Securities not exceeding market value		38,232,860.43	
Railway and other Bonds, Debentures and Stocks not exceeding market value		5,300,963.59	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian		25,277,329.70	
Notes of other Banks		3,895,995.00	
Cheques on other Banks		27,492,793.26	
			$335,366,697.89
Current Loans and Discounts in Canada (less rebate of interest)		255,425,892.03	
Loans to Cities, Towns, Municipalities and School Districts		28,032,607.90	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		15,819,832.76	
Overdue debts, estimated loss provided for		2,289,797.22	
			301,568,129.91
Bank Premises at not more than cost (less amounts written off)			10,600,000.00
Real Estate other than Bank Premises			581,007.55
Mortgages on Real Estate sold by the Bank			607,219.64
Liabilities of Customers under Letters of Credit (as per Contra)			2,249,683.23
Deposit with the Minister for the purposes of the Circulation Fund			1,620,000.00
Other Assets not included in the foregoing			*1,276,332.99
			$653,869,071.21

VINCENT MEREDITH,
President.

FREDERICK WILLIAMS-TAYLOR,
General-Manager.

*This amount includes $936,000.00 Bonds of the Merchants Realty Corporation held by the Bank that were not issued to the public.

NOTE.—Bonds of the Merchants Realty Corporation to the extent of $2,861,000.00 secured on premises leased to the Bank, are in the hands o the public. These bonds do not appear in the above Statement as the Bank is not directly liable therefor.

IS GRAND TRUNK VITAL TO SUCCESS OF RAILWAYS?

Weak Foundation for Claim That It Must Be Absorbed

REALLY AMERICAN

Will Be Serious Problems When Definite Proposal For Inclusion is Made

From Our Own Correspondent

OTTAWA.—The taking over of the Grand Trunk by the Government has not yet been mentioned in any of the railway discussions which have thus far taken place in Parliament. It is generally known that the solid Liberal contingent from Quebec is tacitly opposed to public ownership and to the absorption of the Grand Trunk in particular. The silence of the members composing that large group demonstrates wonderful repression. If the matter should come up, and be debated on its merits, a surprising situation would be disclosed.

In the first place, the contention that the Grand Trunk was necessary to make the Canadian National a well-balanced system has a weak foundation. The Grand Trunk cannot possibly contribute anything to the Government lines which is not now secured by the agreement made by the late Hon. A. G. Blair in 1897. That agreement seems to have been lost sight of entirely in the consideration of this whole matter. In consideration of $500,000 toward the new Victoria Bridge, and $140,000 per annum, the Grand Trunk agreed to three things: First, to give Government joint ownership of its 38 miles of line from St. Rosalie Junction to Montreal; second, joint ownership to its extensive terminal at Montreal; and third, to hand over to the Government railway all traffic which could properly be transferred. This agreement was in perpetuity.

"Rob Peter to Pay Paul"

Thus the government system has absolutely nothing to get in the way of traffic from the Grand Trunk which it is not entitled to receive under this comprehensive agreement. Any other business which it might appropriate would be of the "robbing Peter to pay Paul" class. That is to say, what one unit would get in that way another would lose.

This will be obvious to anyone who even cursorily examines a railway map. He will see that the expropriation of the Grand Trunk creates another long series of parallels in Ontario and Quebec, which is carrying eastward the conditions that are now so wasteful in the West. For hundreds of miles in both the central provinces the Grand Trunk and either the Canadian Northern or the Intercolonial run close together. They tap precisely the same sources of traffic. Under such circumstances the acquirement of the pioneer Canadian road cannot possibly help the Government system in any way whatever.

An American Road

But the chief reason which makes this step so idefensible is that the Grand Trunk is more an American than a Canadian road. Its western terminus is at Chicago and its eastern at Portland. It has nearly 2,000 miles of line in the United States. Seventy per cent. of all its revenues are derived from its American connections. It will be seen, therefore, that the very life-blood of the Grand Trunk will be in jeopardy from the day it becomes the property of the Canadian Government. The strength of this argument will be realized by every Canadian if he can assume that the situation were reversed, and the United States Government undertook to operate a large railway mileage in the Dominion. Already very pointed warnings have been given in the American press, and we need not doubt that before long American rivals for this purely American traffic will set up an attitude of determined and probably effective hostility.

The entire status of the Grand Trunk in the United States will be vitally changed the moment it passes definitely and irrevocably into the hands of the Canadian Government. And in that change we shall have the constant danger of international complications. For example, will the American Government permit a foreign Government, even though a friendly power, to exercise the right of eminent domain within its territory? It might negatively, but would scarcely do so positively. The situation might at any time become acute, and nothing that could possibly accrue to Canada would be worth the obvious risk.

Weak on Commercial Ground

Whatever may be the peril in that regard, the case with respect to the Grand Trunk is weakest on purely commercial grounds. Because of the dependence of the old pioneer road on its American arteries, and the practical certainty of a very serious loss of traffic, the ruin of this unit is inevitable. In that event, the annual deficit on Government railway account would be increased. The Grand Trunk went behind by over $14,000,000 last year under state administration, and when its American business has been cut off the situation will be materially worse.

Moreover, the credit of Canada has not been helped by the outcry of Grand Trunk shareholders in England. They feel they have been dealt with very harshly. In fact, from every angle of view this step in the extension of public ownership is open to many serious objections. It was as unnecessary as it is perilous. The Grand Trunk was not in any sense bankrupt, and could have been carried through the present period of depression back to its former prosperity. After its long and splendid history it merited something better than to be sacrificed for the demonstration of a theory.

AMES COMMITTEES WORKING TOGETHER

Feeling That Shareholders Have Nothing Much to Expect

From Our Own Correspondent

MONTREAL.—The various committees in the case of the Ames, Holden Companies have formed a central commitee to work out some plan of reorganization, and are endeavoring to induce the bond holders that is the three first mortgage issues of the boot and shoe, tire and felt plants, and the second mortgage issue on Ames, Holden, McCready, to hand over their bonds to their control for the time being in order that some comprehensive plan may be developed. The feeling is growing that the common shareholders of the Company have little to expect, and there are few who believe that the preferred shareholders will remain in anything like their present position. There are suggestions that the common stock be wiped out and the preferred shareholders should be made common shareholders, with the first mortgage bonds changed into second, and the present seconds taking a minor position, from the idea that the necessary funds can be raised only through a first lien on the fixed assets of the Company.

So far as the first mortgage holders of the parent Company are concerned it is held that they are amply secured by assets behind their claims, but such may not be the case for the tire bondholders. In the case of this Company, $1,000,000 of bonds were issued, but the whole amount was not spent on the plant at Kitchener, as a considerable amount of the proceeds of the bonds remained as working capital. The felt plant is also connected with the parent Company and its claims of $375,000 on its first mortgage bonds also would be difficult, it is believed, to collect in the event of liquidation. Such arguments as these naturally are influencing a number of the bondholders to surrender their bonds to the various "protective" committees. The Preferred stock has had a tendency the last few days to be a little weaker, dropping below the price of $10 a share which it had held for some weeks.

A WHEAT BOARD DEMANDED ONLY BY POLITICIANS

(Continued from page 1)

as a panacea for the ills of marketing.

Mr. Crerar has the confidence of the bulk of the farmers, and had his opinion been generally known, it is probable the pressure from farmers' organizations upon parliamentary representatives looking to a furtherance of the scheme, would have been considerably less.

But Mr. Crerar, who has all the honesty and integrity of the farmer, also possesses some of those capabilities which go to make up efficient poker-players. He can stand pat with aplomp and can maintain stoic silence with a consistency which puts the Sphinx to shame.

Did he utter a word in parliament which could be construed as being argument for the re-establishment of governmental compulsory wheat marketing?

He did not. He pressed to have the question referred to the Supreme Court and the Privy Council if necessary, for a ruling as to its legality.

The professional poker player will always refer to Hoyle.

Mr. Crerar knew the courts would kill the Wheat Board. He didn't care if they did.

Members Pledged to It

The Wheat Board controversy at Ottawa is devoured eagerly by readers of the parliamentary proceedings on the prairies. Every day one hears of the efforts of Progressives to induce the government to confirm its resurrection.

This is not surprising; the western members were elected solely on a Wheat Board policy. Their pledges and their beliefs (for one cannot doubt their honesty) depend upon the fight they put up—also their popularity. If they win, they will be the King Pins—until the Board fails to get the farmer more money. If they lose, they can blame it on the Liberal government.

But in all the parliamentary evidence, there is an outstanding feature, evident to all who have carefully connected the reports from day to day. Though the Progressives reiterate with unanimity that compulsory pooling would be a glorious relief to the agriculturalist, they have failed, as yet, to produce any conclusive evidence that such would be the case. Generalities are carelessly dealt in, but details—the damming details—are disregarded.

Mr. Motherwell's straightforward condemnation of the Wheat Board earned him considerable abuse from those connected with the Progressive movement in Saskatchewan. They assert he was elected on a Wheat Board policy and quote his campaign slogan: "Vote for Motherwell and the Wheat Board" in support of this.

The federal minister of agriculture comes back with the statement that his campaign lieutenants are responsible for the slogan. With all that there is evidence that Mr. Motherwell is doing something of a Dr. Jekyl and Mr. Hyde for on the platform, prior to his election, he condemned the voluntary pooling plans of Hon. Arthur Meighen, and now, after the trip to Ottawa, he trans-migrates and becomes a voluntary pooler.

The Honorable Mr. Motherwell does not possess the Sphinx-like, standpat propensities of his Western colleague, otherwise he might have been less consistent with his inconsistencies.

And though evidence adduced by the Government proves that trade connections overseas would suffer if the Wheat Board obtained, the Progressives still want it—as a temporary measure.

Will they get it. If they do, how many more chaotic years will the exporter require to reconstruct HIS business.

Quien Sabe!

TENDERS WANTED

DEBENTURES FOR SALE.

TENDERS will be received by the undersigned up till noon of Wednesday, the 31st day of May, 1922, for the purchase of $175,000.00 of County of Brant Debentures.

The following are the particulars:

Debentures will be dated 1st July, 1922, with interest coupons at 5½% payable half-yearly from 1st July, 1922.

Principal is payable as follows: 1st July, 1923, $7,800; 1924, $8,200; 1925, $8,700; 1926, $9,200; 1927, $9,700; 1928, $10,200; 1929, $10,800; 1930, $11,400; 1931, $12,000; 1932, $12,600; 1933, $13,300; 1934, $14,100; 1935, $14,800; 1936, $15,700; 1937, $16,500.

Debentures will be for $1,000.00 each and odd $100.00 printed to suit purchasers.

Present debenture debt of county, $107,633.37.

Assessment, $14,119,000.00.

Further particulars may be had from the undersigned.

Dated 12th May, 1922.

A. E. WATTS,
County Treasurer,
Brantford.

CANADIAN COTTONS
LIMITED

TWELFTH ANNUAL REPORT
For Year ending 31st March, 1922.

TO THE SHAREHOLDERS:

The Directors herewith submit to the shareholders their Twelfth Annual Report for the year ending 31st Marsh, 1922.

We look back on a year of unusual difficulties and of exceptional conditions. Not only had inventories to be written down, but, in addition, the Mills for the first full six months period had to operate on short time and at declining prices.

On the other hand, in consequence of an abnormally small cotton crop last season, the market made a very heavy advance. We were fortunate in having on hand at the time a fairly large supply of raw material, which, together with the benefits obtained from the increased plant and equipment installed in recent years, has enabled us to show what we consider satisfactory results.

After making provision for Depreciation and Government Taxes, the Profits and Interest on Investments amount to $668,572.47 and are disposed of as follows:

Bond Interest and Exchange on Coupons	$176,934.70
Dividends on Preferred and Common Stock	436,930.00
Bad Debts written off	30,491.00
Carried to Profit and Loss Account	24,216.77
	$668,572.47

It would be difficult, as well as useless, to forecast the future, knowing that the prosperity of your business, like all other industries, is dependent upon improved conditions, and as the outlook is encouraging, your Directors are therefore hopeful of the future of your Company.

Your Directors desire to acknowledge the loyal and hearty co-operation of the staff and employees throughout a trying period.

The Books and Accounts of the Company have been duly audited, and the Auditor's report is submitted herewith.

Respectfully submitted,
CHARLES R. HOSMER,
President.

DR.

To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replacements, Maintenance, Depreciation and Government Taxes, to date	$7,658,050.89
To Balance	
Net Profits to Profit and Loss Account	575,226.84
	$8,233,277.73

CR.

By Sales	$8,255,625.57
Add inventory of Cloth and Cotton in process of Manufacture, 31st March, 1922	950,380.16
	$9,206,005.73
Less inventory of Cloth and Process on hand 31st March, 1921	972,728.00
	$8,233,277.73

PROFIT AND LOSS ACCOUNT

DR

To Bond Interest on net amount outstanding and exchange on Coupons	$176,934.70	
Four Dividends of 1½% each on Preferred Shares	219,690.00	
Four Dividends of 2% each on Common Shares	217,240.00	
		$613,864.70
Bad Debts		30,491.00
Balance forward		24,216.77
		$668,572.47

CR

By Net Manufacturing Profits	$575,226.84
By Interest on Investments	93,345.63
	$668,572.47

ASSETS

Cash		$138,263.88	
Book Debts, net cash basis. Bills Receivable and Sundry Open Accounts		1,448,394.49	
Inventory of			
Cloth	$713,715.12		
Process and Yarns	236,665.04		
Raw Cotton	696,444.12		
Supplies	170,796.18		
Insurance unearned	80,000.00		
		1,897,620.46	
Dominion War Loan Bonds		122,000.00	
Total Current Assets			$3,606,278.83
Bonds, in Treasury and for Sinking Fund			1,001,685.98
Stocks in other Companies			309,778.52
Bonds, being proceeds of properties sold			1,525,000.00
Properties			
Mills, Properties, Plants, Waterpowers, etc.			10,104,196.72
			$16,546,940.05

LIABILITIES

Bank Advances	$ 868,582.10		
Open Accounts including Estimated Tax Reserve	1,039,577.48		
Bond Interest accrued and Dividends payable April 4th	145,712.50		
Bills payable	230,445.51		
Total Current Liability			$2,284,317.59
BONDS	5,000,000.00		
Less Redeemed	558,668.83		
			4,441,331.67
CAPITAL			
Preferred Authorized, $4,500,000.00		Issued	3,661,500.00
Common Authorized $3,500,000.00		Issued	2,715,500.00
Reserve for Bad Debts			100,000.00
Reserve for Special Replacements			600,000.00
SURPLUS			
Balance at Credit of Profit and Loss, 31st March, 1921	2,720,074.02		
Balance of Profits to 31st March, 1922	24,216.77		
			2,744,290.79
[illegible]			$16,546,940.05

INDIRECT LIABILITIES
Customers' paper under discount $256,142.02

Montreal, 5th May, 1922.

Verified, ARTHUR H. PLIMSOLL, F.C.A., (Can.), Auditor.
C. R. HOSMER, A. O. DAWSON, Directors.
A. BRUCE, Secretary-Treasurer.

BARCELONA

Gross earnings of the Barcelona Traction, Light and Power Company for the month of April amounted to 3,813,281 pesetas as compared with 2,925,798 pesetas for the same month in 1921, an increase of 887,483. Operating expenses at 1,537,073 pesetas were higher by 430,386, while net amounting to 2,276,208 pesetas showed an increase of 457,097 pesetas.

For the four months ending with April the aggregate gross amounted to 15,242,590, an increase of 2,916,670 pesetas, and the aggregate net at 9,638,614, showed an increase of 1,516,191.